

RESOLUTION NO. 6412-2022

RESOLUTION AUTHORIZING AN AMENDMENT TO THE CITY OF SEBASTOPOL GENERAL FUND FOR  
THE RELAUNCH SEBASTOPOL CONTRACT TO TOWNIE MEDIA  
in the City of Sebastopol, Sonoma County, California

WHEREAS, On October 19, 2021 the City Council approved a Request for Proposals (RFP) for a Relaunch Sebastopol contract to manage and coordinate a variety of organizations and interests towards a common goal of increased community vitality; and

WHEREAS, The Council authorized \$86,000 towards hiring of a contract employee or consultant to not only identify steps the City can take to promote the creation of a robust retail environment in the City, work with cross-promoting events, but also create City events to showcase Sebastopol and enhance community engagement and cross-promoting of events; and

WHEREAS, City staff released the Request for Proposals with the goal to hire professional consultant or contract employee to develop and sustain a strong local economy to provide business and residents with, among other things, the necessary municipal services to maintain the community's high quality of life; and

WHEREAS, The awardee would carry out the tasks in the RFP to enhance community and economic vitality for Sebastopol and coordinate a variety of organizations and interests towards a common goal of increased community vitality; and

WHEREAS, At the January 19, 2022 City Council Meeting, the City Council approved award of contract to Townie Media in the amount of \$86,000 from Budget Account Number 100-10-01-4210 and

WHEREAS, The City was notified by the California Intergovernmental Risk Authority (CIRA) that additional insurance coverage is required; and

WHEREAS, the City Administration and Relaunch Sebastopol Ad Hoc Committee are requesting an additional budget amendment of not to exceed \$10,000 in the City Council Account 100-10-01-4210 to authorize coverage of additional insurance as required by CIRA.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorize an amendment of not to exceed \$10,000 in the City Council Account 100-10-01-4210 and authorizes the City Manager to execute payment to Townie Media for said coverage upon submittal of invoice.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 1<sup>st</sup> day of March 2022.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

**VOTE:**

Ayes: Councilmembers Glass, Gurney, Rich, Vice Mayor Hinton and Mayor Slayter  
Noes: None  
Absent: None  
Abstain: None

APPROVED:   
Mayor Patrick Slayter

ATTEST: Mary C Gourley

Mary Gourley, Assistant City Manager/City Clerk, MMC



Larry McLaughlin, City Attorney

## **AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT, made and entered into on March 10, 2022 by and between the City of Sebastopol, located in the County of Sonoma, State of California (City), and Townie Media (Consultant).

### RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as RELAUNCH SEBASTOPOL.

B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

### **SECTION 1 – BASIC SERVICES**

Consultant agrees to perform the services set forth in **Exhibit A, “Request for Proposals Scope of Work”** and made part of this Agreement.

### **SECTION 2 – ADDITIONAL SERVICES**

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or **Exhibit A, “Request for Proposal Scope of Work”**, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

### **SECTION 3 – TIME FOR COMPLETION**

The time for completion of services shall be One Year from Execution of Contract.

### **SECTION 4 – COMPENSATION AND METHOD OF PAYMENT**

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant total compensation which shall not exceed a total of \$86,000 over a one year term, unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved and City will use its best efforts to cause Consultant to be paid within 30 days of receipt of invoice. If any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced

charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the contract price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant.

C. Payment to the Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

### **SECTION 5 – STANDARD OF PERFORMANCE**

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

### **SECTION 6 – INSPECTION AND FINAL ACCEPTANCE**

City may inspect and accept or reject any of Consultant’s work under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant’s work within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject work by a timely written explanation, otherwise Consultant’s work shall be deemed to have been accepted. City’s acceptance shall be conclusive as to such work except with respect to latent defects and fraud. Acceptance of any of Consultant’s work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

### **SECTION 7 – INSURANCE REQUIRED**

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

#### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$2,000,000 per accident for bodily injury and property damage.
3. Workers’ Compensation insurance, as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident

for bodily injury or disease.

(Not required if consultant provides written verification that it has no employees)

4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. A copy of the claims reporting requirements must be submitted to the City of Sebastopol for review.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Sebastopol requires, and shall be entitled to, the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Sebastopol.

### **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

The City of Sebastopol, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

General liability coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as one of the following ISO ongoing operations Forms: CG 20 10 or CG 20 26 or CG 20 33 (not allowed from subcontractors), or CG 20 38; **and** one of the following ISO completed operations Forms: CG 20 37, 2039 (not allowed from subcontractors), or CG 20 40.

### **Primary Coverage**

For any claims related to this contract, the Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Sebastopol, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Sebastopol, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

### **Notice of Cancellation**

Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance.

### **Waiver of Subrogation**

Consultant hereby grants to the City of Sebastopol a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Sebastopol by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Sebastopol has received a waiver of subrogation endorsement from the insurer. However, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Sebastopol for all work performed by the Contractor, its employees, agents, and subcontractors.

### **Self-Insured Retentions**

Self-insured retentions must be declared to and approved by the City of Sebastopol. The City of Sebastopol may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City of Sebastopol.

### **Acceptability of Insurers**

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Sebastopol.

### **Verification of Coverage**

Consultant shall furnish the City of Sebastopol with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City of Sebastopol before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Sebastopol reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

### **Subcontractors**

Consultant shall require and verify that all subcontractors maintain insurance, meeting all the requirements stated herein, and Contractor shall ensure that the City of Sebastopol is an additional insured on insurance required from subcontractors.

### **Special Risks or Circumstances**

The City of Sebastopol reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

## **SECTION 8 – INDEMNIFICATION**

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The

When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or other products developed or created by Consultant during the course of providing services (collectively the “Work Product”) shall belong exclusively to City. The Work Product shall be considered a “work made for hire” within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

## **SECTION 12 – CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION**

A. All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent, or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

#### **SECTION 9 – INDEPENDENT CONTRACTOR STATUS**

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee, or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

#### **SECTION 10 – CONFLICTS OF INTEREST**

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

#### **SECTION 11 – OWNERSHIP OF DOCUMENTS**

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant.

### **SECTION 13 – SUSPENSION OF WORK**

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

### **SECTION 14 – COMPLIANCE WITH LAW**

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

### **SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS**

During the performance of this contract, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of 1964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

### **SECTION 16 – RECORDS**

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

**SECTION 17 – COOPERATION BY CITY**

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the work as outlined in the Exhibit A, “Scope of Services”, shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the work to be performed under this Agreement.

**SECTION 18 – NOTICES**

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City: City Manager  
7120 Bodega Ave Sebastopol, California 95472

To Consultant: Townie Media  
Address: 7475 Poplar Dr.  
City, State, Zip Code: Forestville CA 95436

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

**SECTION 19 – TERMINATION**

A. City may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all work in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant’s possession shall be delivered to City. Consultant shall furnish to City a final invoice for work performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

**SECTION 20 – ATTORNEY FEES**

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys’ fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

## **SECTION 21 – ENTIRE AGREEMENT**

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

## **SECTION 22 – SUCCESSORS AND ASSIGNS**

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

## **SECTION 23 – CONTINUITY OF PERSONNEL**

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

## **SECTION 24 – DEFAULT**

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

## **SECTION 25 – WAIVER**

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

## **SECTION 26 – LAW TO GOVERN; VENUE**

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Sonoma. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

**SECTION 27 – SEVERABILITY**

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

**SECTION 28 – SPECIAL PROVISIONS**

This Agreement is subject to the following special provisions: none.

SECTION 29: ADDED AS OF CITY COUNCIL MEETING OF : MARCH 1, 2022. City Council Approved A Budget Amendment to Reimburse Consultant for Purchase of Insurance a year beyond the contract ending date in a not to exceed amount of \$10,000 for the cost of the additional coverage beyond the contract end date. Consultant will be reimbursed upon submittal of invoice to the City of Sebastopol as discussed in Section 4B above.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

By:

Name:

Title:

*Laura Hagar Rush*  
*Laura Hagar Rush*  
*CEO, Townie Media*

City: City of Sebastopol

By:

Name: Larry McLaughlin

Title: City Manager

Approved as to Form:

By:

Name: Larry McLaughlin

Title: City Attorney

Received

MAR 10 2022

City of Sebastopol  
Admin Services- Finance

REQUEST FOR PROPOSALS

RELAUNCH SEBASTOPOL

Community / Economic Vitality

City of Sebastopol  
Office of the City Manager  
7120 Bodega Avenue  
Sebastopol, CA 95472  
Email: [info@cityofsebastopol.org](mailto:info@cityofsebastopol.org)

Responses Due By: November 22, 2021  
5:00 pm

Proposals Should be Mailed to:  
City of Sebastopol  
City Hall  
7120 Bodega Avenue  
Sebastopol, CA 95472

Proposals may also be Emailed to:  
[info@cityofsebastopol.org](mailto:info@cityofsebastopol.org)

## INTRODUCTION

As leaders and representatives entrusted with strengthening the City of Sebastopol's future, the City Council is seeking Proposals for Community Vitality/Economic Vitality for Relaunch Sebastopol.

## PURPOSE:

To carry out the duties to enhance community and economic vitality for Sebastopol and coordinate a variety of organizations and interests towards a common goal of increased community vitality. The City wants to enhance Sebastopol as the welcoming and safe destination with a rich history, abundance of culture and attractions, and a beautiful City to see by foot or bike.

## NOTICE

Notice is hereby given that the City of Sebastopol will receive Proposals until 5:00 PM, November 22, 2021 to provide services for Community Vitality/Economic Vitality.

No Proposals will be received or considered after that time.

The resulting contract from this Request for Proposal will have a term of one year or longer depending upon proposed costs of services.

## SCOPE OF WORK

The budget for this work is \$86,000. As part of your proposal, please provide a clear outline of how you would segment this budget to complete the tasks below:

Consult on the scope and scale of efforts to maximize benefits to the City of Sebastopol

Best methods or channels for messaging to the businesses, citizens and local County

Fostering Businesses Development:

- Make Sebastopol more attractive to prospective businesses.
- Make it easier for businesses to open or expand in downtown Sebastopol
- Increase retention of current downtown Sebastopol businesses.

Attracting Consumers:

- Make downtown Sebastopol more attractive for consumers to visit.
- Ensure consumers who visit downtown Sebastopol return.
- Promoting the City of Sebastopol has a great place to live, work, and visit

Incentivizing Investment:

- Encourage existing property owners to reinvest in their buildings.

Collaboration:

- Collaboration with Chamber of Commerce, Sebastopol Downtown Association and Business Councils to Cross promote local visitor-serving organizations and events to increase tourism and boost the success of a variety of local businesses.
- Main Street Vitality - Put local businesses in contact with each other for products to support buying locally
- Create a "City day" picnic for the community to bring businesses and community together or utilizing empty businesses to create "pop up" events
- Work with the local schools for community hour projects to beautify the City (Park/Street clean up, murals on benches/garbage cans, painting of City light poles, etc.)
- Establish partnerships that leverage public and private funds to support community vitality.
- Work with the City's Community Outreach Coordinator to promote engagement in the community.
- Work with City staff and municipal consultant on revenue enhancement measures
- Create relationship with County for County grants or County funding for community vitality

Calendar:

Manage Community Calendar/Experience Sebastopol

City Committees:

Sit on Community Based Councils, Non Profit Councils, For Profit Councils

City Reports:

Provide bi-monthly report out to City Council at each Council Meeting.

Additional Information:

City Staff Time: Sebastopol is a lean City in terms of staffing. We do not have staff dedicated to Community or Economic Vitality, but rather include these responsibilities with staff who have significant other roles. The proposal's approach and recommendations should reflect this.

Budget: The City has a fixed budget for this work of \$86,000. Term of contract would be for one year.

REQUEST FOR PROPOSAL SCHEDULE

|  |                                 |         |
|--|---------------------------------|---------|
| Request for Proposals Issued:                    | October 7 <sup>th</sup> , 2021  |         |
| Deadline to Submit Clarifying Questions:         | October 21 <sup>st</sup> , 2021 |         |
| Request for Proposals Due:                       | November 22, 2021               | 5:00 pm |
| Tentative Date for Proposal Presentations:       | December 6, 2021                |         |
| Tentative Council Presentation Notice of Intent: | January 4, 2022                 |         |
| Notice of Intent to Award Contract:              | January 18, 2022                |         |
| Anticipated Contract Start Date:                 | February 1, 2022                |         |

SELECTION PROCESS

The City of Sebastopol reserves the right to accept or reject all proposals submitted, waive minor irregularities, request additional information or revisions to offers, and negotiate with any or all Respondents.

In the award of the contract, the City of Sebastopol will consider the element of time, will accept the Proposal or Proposals, which in their estimation, will best serve the interests of Sebastopol and will reserve the right to award the contract to the contractor whose Proposal shall be best for the public good.

From a review of the Proposals received, City of Sebastopol intends to evaluate the proposals and possibly invite one or more proposers to be interviewed before making a recommendation to the full City Council. Proposer may be requested to provide a presentation to the City Council upon request. The City does reserve the right to make a selection based solely on the proposal.

SUBMITTALS:

Responses must observe submission instructions and be advised as follows:

Complete Proposals may be mailed to the below address or emailed directly to [info@cityofsebastopol.org](mailto:info@cityofsebastopol.org).

The subject line of the email must clearly identify the RFP title.

The City will provide confirmation that the Proposal has been received. If the Proposal is mailed, City will date stamp the envelope and notify the proposer that the proposal has been received.

The Proposal (hardcopy or email) must be received by 5:00 PM, on November 22, 2021.

Mailing address including UPS and FEDEX:

City of Sebastopol  
City Hall  
ATTN: City Manager  
7120 Bodega Avenue

Sebastopol, CA 95472

Hand delivery is not available at this time due to City Hall office closures.

### Proposal Evaluation

The City will conduct an initial review of the proposals for general responsiveness and inclusion of the items requested below. Responsive proposals may be evaluated by a panel selected by the City. Selection will be based upon the proposals submitted, any other information, such as reference checks, available to the City and the evaluation criteria listed below.

Factors that may be considered in the review process include, but may not be limited to, the following:

- A) Meeting all of the requirements of this RFP; failure to meet the requirements of this RFP may be deemed unresponsive and the proposal may not be further evaluated;
- B) Background and experience of the project team member(s) assigned to this project;
- C) Quality of the proposed approach to the project;
- D) Quality of work plan, including reasonable time frames for completing the work;
- E) Proposed cost. Proposals may include options, with the costs for each option identified separately;
- F) Agreement to use City's standard contract, and agreement to submit required insurance as attached

City staff may request additional clarifying information from any or all proposers. Depending on the number and quality of responses, and after initial screening and evaluation of proposals submitted in response to this RFP, the City may select a short-list for additional evaluation and potential interview.

### Proposal Form

Interested firms must submit one (1) original unbound, single sided document signed hard copy or electronic proposal by 5:00 pm November 22, 2021 to be considered. No information submitted by facsimile will be accepted unless otherwise requested by the City during the proposal review process.

Proposals after the deadline may not be accepted.

### Each proposal must include:

#### A. Transmittal Letter

Proposals must include a transmittal letter signed by an official authorized to solicit business and enter into contracts and the name and telephone number of a contact person, if different from the signatory.

#### B. Title Page

Proposals must include a title page that includes the RFP subject, the name of the firm, local addresses, telephone number, name of contact person, and the date.

#### C. Table of Contents

Proposals must include a table of contents that includes a clear identification of the material by section and page number.

#### D. Company/Firm Information/Individual

Company/Firm: Proposals must provide the name of the business entity (including any fictitious business names), details of the entity's business structure (i.e., corporation, partnership, LLC), statement(s) on financial integrity of all entities related to the company/firm or joint venture that will be involved in the contract, the location of offices, and the number of employees currently in the company/firm.

Individual: Proposals must provide name of individual, location of office, any persons involved in the contract.

#### E. Qualifications and References

1. Qualifying Experience – Firm: Describe the firm’s qualifications specific to preparing its proposal and associated activities for other communities or projects. Examples of reports or other deliverables for similar projects completed by the staff assigned to this project should be submitted as supplemental materials, along with descriptions of the roles of the assigned staff on those projects.

2. Qualifying Experience – Professionals: Provide the name and title of the Managing Principal representative for the coordination and execution of work, other key professional(s), and any other professionals that will be assigned in a significant role to this contract including resumes (not exceeding 3 pages) of education, experience and qualifications related to experience, contact information, and their area of responsibility in servicing the contract. Do not include information on professionals who will have no or minimal roles on the project.

#### F. Project Approach

Respondents shall describe their approach to the project in sufficient detail to provide the City with a good understanding of how the work will be accomplished and the expected deliverables. This should include proposed steps in research and analysis.

This should also include a work plan and realistic schedule with a minimum of one week time for City review and comment on draft work products.

#### G. Business References

Provide a minimum of three (3) business references from clients that are governments or quasigovernment in nature for projects most similar to the one requested here, and conducted by the staff assigned to this project. Identify the client as either a 1) government entity or 2) corporate client.

#### H. Conflict of Interest

Proposer must represent that it does not have any interests that would conflict with the City or be affected by the performance of services for the City. By submittal of a proposal, the Respondent, its employees and agents, acknowledge their understanding of the provisions regarding conflicts of interest and/or influence arising from this project.

#### I. Insurance

Proposals must include a statement attesting to capacity to meet/comply with the minimum insurance requirements for the City.

### General Terms and Conditions

#### A. Limitations

This RFP does not commit the City to award a contract or to pay any costs incurred in the preparation of a proposal in response to this RFP.

#### B. Award

All finalists may be required to participate in negotiations and to submit such price, technical, or other revisions of their proposals as may result from negotiations. Each initial proposal should be submitted on the most favorable terms from a price and a technical viewpoint. Any award made will be to the Respondent whose proposal is most advantageous to the City based on the evaluation criteria outlined above.

#### C. Binding Offer

A signed proposal submitted to the City in response to this RFP shall constitute a binding offer from Respondent to contract with City according to the terms of the proposal for a period of ninety (90) days after its date of submission, which shall be the date proposals are due to City.

#### D. Contract Arrangements

A copy of the City's Master Services Agreement and contract provisions, including the City's insurance requirements, is incorporated into the RFP as an Exhibit. The selected Respondent will be required to maintain insurance coverage, during the term of the contract, at the levels described in Exhibit of the Master Services Agreement. Respondent agrees to provide the required certificates of insurance and endorsements within ten (10) days of City's notice that it is the successful Respondent.

The successful Respondent may be required to enter into an agreement with the City within 10 days of Notice of the City's Intent to Award. A sample agreement is attached to this RFP. If an Agreement on terms and conditions acceptable to the City cannot be achieved within that timeframe, or if, after reasonable attempts to negotiate such terms and conditions, it appears that an agreement will not be possible, as determined at the sole discretion of the City, the City reserves the right to retract any Notice of Intent to Award and proceed with awards to other Respondents.

#### Public Records

This RFP and any material submitted by a Respondent in response to this RFP are subject to public inspection under the California Public Records Act (Government Code § 6250 et seq.) unless exempt by law. Proposals will remain confidential until the City has authorized award of a contract.

#### Contact Person

Questions regarding this RFP may be directed to the City Manager via e-mail only until 5:00 p.m. on October 21, 2021.

## APPENDIX C

### INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

#### Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1187) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the consultant's profession.

#### Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage **including operations, products and completed operations, as applicable**. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions liability: \$2,000,000 per occurrence.

#### Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. **The City, its officers, officials, employees and volunteers** are to be covered as insureds as respects liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. The Workers Compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its

officers, officials, employees and volunteers for losses paid under terms of this policy which arise from the work performed by the named insured.

4. It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured; whichever is greater.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
6. **Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.**

#### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

#### **Verification of Coverage**

Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All original, signed certificates and endorsements are to be received and approved by the City prior to City's approval of the contract and commencement of work. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

#### **Subconsultants**

Consultant agrees to include with all subconsultants in their subcontract the same requirements and provisions of this agreement including the indemnity and insurance requirements to the extent they apply to the scope of the Subconsultant's work. Subconsultants hired by Consultant agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City under the Contract Documents. Subconsultant further agrees to include these same provisions with any Sub-subconsultant. A copy of the contract indemnity and insurance provisions will be furnished to the Subconsultant upon request. The Consultant shall require all sub-consultant to provide a valid certificate of insurance and the required endorsements included in the agreement prior to commencement of any work and Consultant will provide proof of compliance to the City.





## ADDITIONAL INSURED ENDORSEMENT

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following amendments are made to this Policy:

1. The following DEFINITION is added:

"Additional insured" means:

City of Sebastopol, its officers, officials, employees, and volunteers.

2. Where an "Additional insureds" CONDITION exists in this Policy, **additional insureds are included as a third party.**
3. Where an "Additional insureds" CONDITION does not exist in this Policy, the following CONDITION is added:

**Additional Insureds**

**Additional insureds** are indemnified under this Policy as if they were **you**, but **only** in respect of sums which they **become** legally obliged to pay (including **liability for claimants' costs and expenses**) as a result of any **claim** arising solely out of an act, error or omission committed by **you** or on **your** behalf, provided that had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

Before we indemnify any **additional insured**, they must prove to **us** that the **claim** arose solely out of an act, error or omission committed by **you** or on **your** behalf and fully comply with **CONDITION 1** as if they were **you**.

When this **CONDITION** applies, it will be primary and non-contributory to the **additional insured's** own insurance but only if **you** and the **additional insured** have entered into a contract that contains a provision requiring this.

Whilst **additional insureds** are indemnified under this Policy, any **claim** made by **additional insureds** against **you** will be treated by **us** as if they were a **third party** and not as a **named insured**.

4. The following **CONDITION** is added:

**Notice of cancellation to additional insureds**

If we give **you** notice of cancellation in accordance with the "Cancellation" **CONDITION**, we will endeavour to provide the same notice of cancellation to **additional insureds**; however, not doing so will not place any additional liability upon us.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**

Authorized Signatory

CFC Underwriting Ltd



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF OUR RIGHT TO RECOVER FROM  
OTHERS ENDORSEMENT - CALIFORNIA**

**Policy Number:** 57 WEC AR0FNE

**Endorsement Number:**

**Effective Date:** 01/27/22

Effective hour is the same as stated on the Information Page of the policy.

**Named Insured and Address:** Townie Media, Inc  
7475 POPLAR DR  
FORESTVILLE CA 95436

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

**SCHEDULE**

**Person or Organization**

**Job Description**

Any person or organization for whom you are required by written contract or agreement to obtain this waiver of rights from us

Countersigned by \_\_\_\_\_ Authorized Representative

Form WC 04 03 06 (1) Printed in U.S.A.

Process Date: 01/27/22

Policy Expiration Date: 01/27/23



## Policy certificate

Insurance effected through the Coverholder:

CFC Underwriting Limited  
85 Gracechurch Street  
London EC3V 0AA  
United Kingdom

**PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY.**

This Certificate is issued by the Coverholder in accordance with the authorization granted to the Coverholder under the Binding Authority Agreement with the Unique Market Reference stated within this Policy. This Policy comprises a Certificate, the Declarations page, Wording and all other provisions and conditions attached and any endorsements issued.

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this Policy.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

In Witness whereof this Certificate has been signed by:

A handwritten signature in black ink, appearing to read 'AR Ho', written over a light yellow rectangular highlight.

Authorized Official

Please examine this document carefully. If it does not meet your needs, please contact your broker immediately. In all communications the policy number appearing overleaf should be quoted.



## DECLARATIONS

POLICY NUMBER: ESK0038376919

UNIQUE MARKET REFERENCE(S): B087521C9N5051  
B087521C9N5053

THE INSURED: TOWNIE MEDIA  
ADDRESS: 7475 Poplar Drive  
Forestville, CA 95436  
US

THE UNDERWRITERS: Underwritten by certain underwriters at Lloyd's and other insurers

THE INCEPTION DATE: 00:01 Local Standard Time on 27 Jan 2022

THE EXPIRY DATE: 00:01 Local Standard Time on 27 Jan 2023

TOTAL PAYABLE: USD3,575.00

|                            |             |                    |                   |
|----------------------------|-------------|--------------------|-------------------|
| Broken down as follows:    |             | <b>Premium</b>     | <b>\$3,250.00</b> |
| Premium:                   | USD3,250.00 | <b>Company Fee</b> | <b>\$325.00</b>   |
| Policy Administration Fee: | USD325.00   | <b>Broker Fee</b>  | <b>\$200.00</b>   |
|                            |             | <b>State Tax</b>   | <b>\$107.25</b>   |
|                            |             | <b>Stamp Fee</b>   | <b>\$8.94</b>     |
|                            |             | <b>Total</b>       | <b>\$3,891.19</b> |

OPTIONAL EXTENDED REPORTING PERIOD PREMIUM: USD2,575  
(only payable if you choose to exercise this option)

BUSINESS ACTIVITIES: Website design and local online news, as more fully described in the application form dated 21 Jan 2022 and as held on file by CFC Underwriting Limited

CHOICE OF LAW: California

SERVICE OF SUIT: Foley & Lardner LLP  
555 California Street, Suite 1700  
San Francisco, CA 94104-1520

LEGAL ACTION: Worldwide

TERRITORIAL SCOPE: Worldwide

US CLASSIFICATION: Surplus Lines

SURPLUS LINES BROKER: Chris Brown / Brown & Riding Insurance Services  
Licence No.: 0592033  
777 S. Figueroa St. Suite 2550  
Los Angeles,  
CA

RETROACTIVE DATE: 27 Jan 2022

CLAIMS MANAGERS: CFC Underwriting Limited  
Please report all new claims to:  
[newclaims@cfcunderwriting.com](mailto:newclaims@cfcunderwriting.com)

PRIVACY BREACH HOTLINE: In the event of an actual or suspected privacy breach please call our Emergency Response Team at Wilson Elser Toll free 24-hour Privacy Breach Hotline: 1 855 270 0628

WORDING: MEDIA US v2.2

ENDORSEMENTS: PREMIUM PAYMENT CLAUSE  
ADDITIONAL INSUREDS EXTENSION CLAUSE  
U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED NOT PURCHASED CLAUSE  
OVER REDEMPTION CLAUSE  
SANCTION LIMITATION AND EXCLUSION CLAUSE  
CHOICE OF LAW, LEGAL ACTION AND SERVICE OF SUIT AMENDATORY CLAUSE  
BRAND PROTECTION COVER EXTENSION CLAUSE



WEBSITE CONTENT ACCESSIBILITY EXCLUSION CLAUSE  
BLANK TEMPLATE FOR PRODUCTS TEAM APPROVED CLAUSES  
CYBER RISKS CLAUSE

## LIMITS OF LIABILITY AND DEDUCTIBLES

### INSURING CLAUSE 1: MULTIMEDIA LIABILITY AND ADVERTISING INJURY

|                                      |              |   |
|--------------------------------------|--------------|---|
| <b>Limit of liability:</b>           | USD2,000,000 | each and every claim, including <b>costs and expenses</b> |
| <b>Aggregate limit of liability:</b> | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b>                   | USD2,500     | each and every claim, including <b>costs and expenses</b> |

### INSURING CLAUSE 2: ERRORS & OMISSIONS

|                                      |              |   |
|--------------------------------------|--------------|---|
| <b>Limit of liability:</b>           | USD2,000,000 | each and every claim, including <b>costs and expenses</b> |
| <b>Aggregate Limit of liability:</b> | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b>                   | USD2,500     | each and every claim, including <b>costs and expenses</b> |

### INSURING CLAUSE 3: LOSS MITIGATION

|                                      |              |                      |
|--------------------------------------|--------------|----------------------|
| <b>Limit of liability:</b>           | USD2,000,000 | each and every claim |
| <b>Aggregate Limit of liability:</b> | USD2,000,000 |                      |
| <b>Deductible:</b>                   | USD2,500     | each and every claim |

### INSURING CLAUSE 4: CYBER & PRIVACY

#### SECTION A: CYBER LIABILITY

|                                      |              |   |
|--------------------------------------|--------------|---|
| <b>Aggregate limit of liability:</b> | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b>                   | USD2,500     | each and every claim, including <b>costs and expenses</b> |

#### SECTION B: PRIVACY LIABILITY

|                                      |              |   |
|--------------------------------------|--------------|---|
| <b>Aggregate limit of liability:</b> | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b>                   | USD2,500     | each and every claim, including <b>costs and expenses</b> |

#### SECTION C: PRIVACY BREACH NOTIFICATION COSTS

NO COVER GIVEN

#### SECTION D: SYSTEM DAMAGE

NO COVER GIVEN

#### SECTION E: SYSTEM BUSINESS INTERRUPTION

NO COVER GIVEN

#### SECTION F: THREATS OR EXTORTION

NO COVER GIVEN

### INSURING CLAUSE 5: COMMERCIAL PROPERTY

#### SECTION A: PROPERTY DAMAGE

NO COVER GIVEN



SECTION B: BUSINESS INTERRUPTION

NO COVER GIVEN

INSURING CLAUSE 6: COMMERCIAL GENERAL LIABILITY

SECTION A: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

|   |              |   |
|---|--------------|---|
| <b>Limit of liability:</b><br><b>expenses</b> | USD2,000,000 | each and every claim, including <b>costs and expenses</b> |
| <b>Aggregate Limit of liability:</b>          | USD4,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b>         | USD1,000     | each and every claim, including <b>costs and expenses</b> |

SECTION B: PRODUCTS AND COMPLETED OPERATIONS LIABILITY

|                                       |              |   |
|---------------------------------------|--------------|---|
| <b>Aggregate Limit of liability:</b>  | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b> | USD1,000     | each and every claim, including <b>costs and expenses</b> |

SECTION C: POLLUTION LIABILITY

|                                       |              |   |
|---------------------------------------|--------------|---|
| <b>Aggregate Limit of liability:</b>  | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b> | USD1,000     | each and every claim, including <b>costs and expenses</b> |

SECTION D: TENANTS' LEGAL LIABILITY

|                                       |            |   |
|---------------------------------------|------------|---|
| <b>Aggregate limit of liability:</b>  | USD250,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b> | USD1,000   | each and every claim, including <b>costs and expenses</b> |

SECTION E: NON-OWNED AND HIRED AUTOMOBILE LIABILITY

|   |              |   |
|---|--------------|---|
| <b>Limit of liability:</b><br><b>expenses</b> | USD2,000,000 | each and every claim, including <b>costs and expenses</b> |
| <b>Aggregate limit of liability:</b>          | USD4,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b>         | USD0         | each and every claim, including <b>costs and expenses</b> |

SECTION F: LIABILITY FOR DAMAGE TO HIRED OR LEASED AUTOMOBILES

|                                       |           |   |
|---------------------------------------|-----------|---|
| <b>Aggregate limit of liability:</b>  | USD50,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b> | USD1,000  | each and every claim, including <b>costs and expenses</b> |

SECTION G: MEDICAL PAYMENTS

|                            |          |                      |
|----------------------------|----------|----------------------|
| <b>Limit of liability:</b> | USD5,000 | each and every claim |
| <b>Deductible:</b>         | USD0     | each and every claim |

SECTION H: EMPLOYEE BENEFITS LIABILITY

|                                       |              |   |
|---------------------------------------|--------------|---|
| <b>Aggregate limit of liability:</b>  | USD2,000,000 | including <b>costs and expenses</b>                       |
| <b>Deductible:</b><br><b>expenses</b> | USD1,000     | each and every claim, including <b>costs and expenses</b> |

INSURING CLAUSE 7: COURT ATTENDANCE COSTS

|                                      |            |                                 |
|--------------------------------------|------------|---------------------------------|
| <b>Aggregate Limit of liability:</b> | USD100,000 | sub-limited to USD2,000 per day |
|--------------------------------------|------------|---------------------------------|



Deductible:

USD0

each and every claim



## OUR REGULATORY STATUS

CFC Underwriting Limited is authorised and regulated by the United Kingdom Financial Conduct Authority (FCA). CFC Underwriting Limited's Firm Reference Number at the FCA is 312848. These details may be checked by visiting the Financial Conduct Authority website at <https://register.fca.org.uk/>. Alternatively, the Financial Conduct Authority may be contacted on +44 (0)20 7066 1000.

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations to you in respect of insurance policies that we have underwritten on behalf of insurers. This depends on the type of business and the circumstances of the claim. In respect of general insurance business the FSCS will cover 90% of the claim, without any upper limit and for compulsory classes of insurance, the FSCS will cover 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS.

## HOW TO COMPLAIN - USA

We intend to provide an excellent service to you. However, we recognize that there may be occasions when you feel that this has not been achieved. If you are unhappy with any aspect of the service that you receive from us, please contact your insurance broker in the first instance, stating the nature of your complaint, the certificate and/or claim number.

Alternatively, you can contact us directly at [enquiries@cfcunderwriting.com](mailto:enquiries@cfcunderwriting.com) or please write to:

Chief Executive Officer  
CFC Underwriting Limited  
85 Gracechurch Street  
London EC3V 0AA  
United Kingdom

If you remain dissatisfied after we have considered your complaint and provided our response, you may have the right to refer your complaint to the Department of Insurance in your State for review.

**You will be provided with further information about your complaint escalation rights to the Department of Insurance in your State by us on receipt of your complaint.**

**The existence of this complaints procedure does not affect your right to commence a legal action or an alternative dispute resolution proceeding in accordance with your contractual rights.**



## DATA PROTECTION NOTICE

We collect and use relevant information about you to provide you with your insurance cover or the insurance cover that benefits you and to meet our legal obligations. Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

The information we collect and use includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit. This information may include more sensitive details such as information about your health and any criminal convictions you may have.

In certain circumstances, we may need your consent to process certain categories of information about you (including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

We will process individual insured's details, as well as any other personal information you provide to us in respect of your insurance cover, in accordance with our privacy notice and applicable data protection laws.

To enable us to use individual insured's details in accordance with applicable data protection laws, we need you to provide those individuals with certain information about how we will use their details in connection with your insurance cover.

You agree to provide to each individual insured this notice, on or before the date that the individual becomes an individual insured under your insurance cover or, if earlier, the date that you first provide information about the individual to us.

We are committed to using only the personal information we need to provide you with your insurance cover. To help us achieve this, you should only provide to us information about individual insureds that we ask for from time to time.

You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice, please contact us directly at [enquiries@cfcunderwriting.com](mailto:enquiries@cfcunderwriting.com).

For more information about how we use your personal information please see our full privacy notice, which is available online on our website at:

<http://www.cfcunderwriting.com/privacy>



## PREMIUM PAYMENT CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following is added to the "Cancellation" **CONDITION**:

We also reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 60 days beyond the Inception Date of this Policy. If **we** exercise this right of cancellation it will take effect from 14 days after the date the written notice of cancellation is issued.

However, if the amount due to **us** by **you** is paid in full to **us** before the notice period expires, notice of cancellation will be revoked.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## ADDITIONAL INSURED ENDORSEMENT

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following amendments are made to this Policy:

1. The following **DEFINITION** is added:

**"Additional insured"** means:

City of Sebastopol, its officers, officials, employees, and volunteers.

2. Where an "Additional insureds" **CONDITION** exists in this Policy, **additional insureds** are included as a **third party**.
3. Where an "Additional insureds" **CONDITION** does not exist in this Policy, the following **CONDITION** is added:

**Additional Insureds**

**Additional insureds** are indemnified under this Policy as if they were **you**, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising solely out of an act, error or omission committed by **you** or on **your** behalf, provided that had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

Before **we** indemnify any **additional insured**, they must prove to **us** that the **claim** arose solely out of an act, error or omission committed by **you** or on **your** behalf and fully comply with **CONDITION 1** as if they were **you**.

When this **CONDITION** applies, it will be primary and non-contributory to the **additional insured's** own insurance but only if **you** and the **additional insured** have entered into a contract that contains a provision requiring this.

Whilst **additional insureds** are indemnified under this Policy, any **claim** made by **additional insureds** against **you** will be treated by **us** as if they were a **third party** and not as a named insured.

4. The following **CONDITION** is added:

**Notice of cancellation to additional insureds**

If **we** give **you** notice of cancellation in accordance with the "Cancellation" **CONDITION**, **we** will endeavour to provide the same notice of cancellation to **additional insureds**; however, not doing so will not place any additional liability upon **us**.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**

Authorized Signatory

CFC Underwriting Ltd



## U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED NOT PURCHASED CLAUSE

ATTACHING TO POLICY NUMBER: ESK0038376919

THE INSURED: Townie Media

WITH EFFECT FROM: 27 Jan 2022

This **CLAUSE** is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended, as summarized in the disclosure notice.

It is hereby noted that **we** have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and **you** have declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this Policy.

All other terms, **CONDITIONS** and **EXCLUSIONS** of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5390 (Amended)  
09 January 2020

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## OVER REDEMPTION EXCLUSION CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed the following **EXCLUSION** is added to this Policy:

**Over redemption**

arising directly or indirectly out of price discounts, prizes, awards or other valuable consideration given or redeemed in excess of the total contracted or expected amount.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## SANCTION LIMITATION AND EXCLUSION CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following **EXCLUSION** is added to this Policy:

**We** shall not be deemed to provide any cover nor shall **we** be liable to pay any **claim** or **loss** or provide any benefit under this Policy to the extent that the provision of such cover, payment or benefit shall expose **us** to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## CHOICE OF LAW, LEGAL ACTION AND SERVICE OF SUIT AMENDATORY CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the "Service of suit" or the "Choice of law, legal action and service of suit" **CONDITION** is deleted in its entirety and replaced with the following:

### **Choice of law, legal action and service of suit**

In the event of a dispute between **you** and **us** regarding this Policy, the same shall be governed by the laws of the State of the United States of America shown in the Choice of Law section of the Declarations. **We** agree, at **your** request, to submit to the jurisdiction of a Court of competent Jurisdiction within the United States of America.

Nothing in this **CONDITION** constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any Court of competent jurisdiction in the United States of America, to move an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States of America or the laws of any State of the United States of America.

It is further agreed that service of process in such suit may be made upon the law firm shown in the Declarations and that in any suit instituted against **us**, **we** will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. The law firm shown in the Declarations is authorized and directed to accept service of process on **our** behalf in any such suit and, at **your** request, to give a written undertaking to **you** that they will enter a general appearance on **our** behalf in the event such a suit is instituted.

Additionally, in accordance with the statute of any state, territory or district of the United States which makes such a provision, **we** hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as **our** true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by **you** arising out of this Policy. The law firm shown in the Declarations is hereby designated as the firm to whom the above mentioned officer is authorized to mail such process or a copy thereof.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## BRAND PROTECTION COVER EXTENSION CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following amendments are made to this Policy:

1. The following **INSURING CLAUSE** is added to the Declarations page:

**BRAND PROTECTION COVER**

**Aggregate limit of liability:** USD100,000

Deductible: USD0 each and every claim or **loss**

2. The following **INSURING CLAUSE** is added to this Policy:

**BRAND PROTECTION COVER**

We agree to pay costs reasonably incurred, subject to our prior written agreement (such agreement not be unreasonable withheld), on the services of a public relations consultancy for the purpose of averting or mitigating **damage** to any of **your** brands caused by a **claim** or **loss** that is covered under any **INSURING CLAUSE** of this Policy for which **you** have purchased coverage and that constitutes a **newsworthy event**.

The public relations consultancy shall be chosen by the Claims Managers who shall take into account the nature of the **claim** or **loss** and the cost and quality of the services that they can deliver, unless **you** have reasonable cause to request a different public relations consultancy and the Claims Managers and **you** mutually agree upon such a company.

3. The following **DEFINITION** is added to this Policy:

**"Newsworthy event"**

means an event, that has been caused by a **claim** or **loss** that is covered under any **INSURING CLAUSE** of this Policy for which **you** have purchased coverage, that has been publicized through any media channel, including television, print media or radio.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## WEBSITE CONTENT ACCESSIBILITY EXCLUSION CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following **EXCLUSION** is added to this Policy:

**Website content accessibility**

arising directly or indirectly out of the actual or alleged violation of any laws, regulations or guidelines relating to the accessibility of **your** website content or any website content **you** have created for any **third party**.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## THE PACKAGE TRAVEL, PACKAGE HOLIDAYS AND PACKAGE TOURS REGULATIONS 1992 EXCLUSION CLAUSE

ATTACHING TO POLICY  
NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT FROM: 27 Jan 2022

It is understood and agreed that the following **EXCLUSION** is added to the **GENERAL INSURANCE EXCLUSIONS**:

**The Package Travel, Package Holidays and Package Tours Regulations**

arising directly or indirectly out of any breach of The Package Travel, Package Holidays and Package Tours Regulations 1992, including any amendments to these regulations, or any similar regulations or law in any other jurisdiction.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## CYBER RISKS CLAUSE

ATTACHING TO  
POLICY NUMBER: ESK0038376919  
THE INSURED: Townie Media  
WITH EFFECT  
FROM: 27 Jan 2022

It is understood and agreed that where **cyber events** or **cyber errors** are not specifically excluded from a Section or Insuring Clause of this Policy, then a claim arising out of a **cyber event** or **cyber error** which is otherwise covered under that Section or Insuring Clause will be payable, subject to all other terms, conditions and exclusions of this Policy.

It is further understood and agreed that the following **DEFINITIONS** are added:

**"Computer systems"** means

all electronic computers including operating systems, software, hardware, microcontrollers and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

**"Cyber error"** means

any:

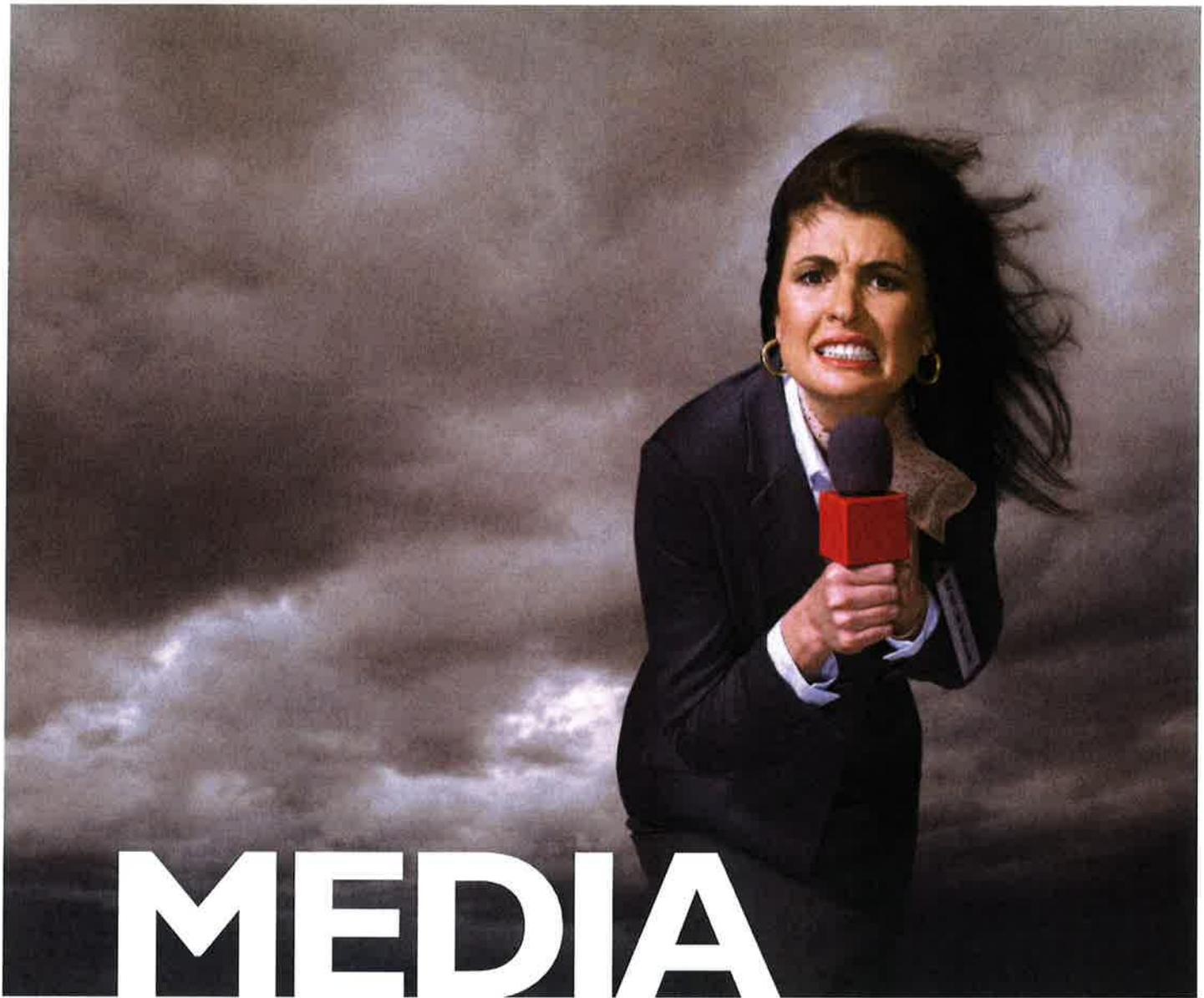
- a. unintentional human error in entering, processing or amending electronic data within any **computer systems** or in the upgrading, maintenance or configuration of any **computer systems**; or
- b. application bug, internal network failure, external network failure or hardware failure directly impacting any **computer systems** which renders them incapable of supporting their normal business function.

**"Cyber error"** does not mean **cyber event**.

**"Cyber event"** means

any actual or suspected unauthorized access to or electronic attack designed to damage, destroy, corrupt, overload, circumvent or otherwise impair the functionality of any **computer systems**, including a denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or ransomware) or computer virus.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY**



## INSURANCE FOR MEDIA COMPANIES

# Policy Document

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## PREAMBLE

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide. This Policy consists of and must be read together with the Declarations and any Endorsements. This Policy is not complete unless it is signed and a Declarations page is attached.

The Sections of this Policy are identified by the **BLUE LINES** across the page with **WHITE UPPER CASE PRINT**. Clause headings in **BLUE UPPER CASE PRINT** are for information only and do not form part of the cover given by this Policy. Other terms in **bold lower case print** are defined terms and have a special meaning as set forth in the **DEFINITIONS** section and elsewhere. Words stated in the singular shall include the plural and vice versa.

**IMPORTANT: INSURING CLAUSES 1, 2, 3, 4 (SECTIONS A and B only) and 6 (SECTION H) only provide cover on a claims made basis. Under these INSURING CLAUSES a claim must be first made against you and notified to us during the period of the policy to be covered. These INSURING CLAUSES do not cover any claim arising out of any actual or alleged wrongful act occurring before the date specified as the Retroactive Date in the Declarations.**

In consideration of the Premium and in reliance upon the information that **you** have provided to **us** prior to commencement of this insurance and which is deemed to form the basis of this insurance, **we** agree to provide the cover, as set out below:

## INSURING CLAUSES

### INSURING CLAUSE 1: MULTIMEDIA LIABILITY AND ADVERTISING INJURY

#### SECTION A: DEFAMATION

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) defamation, including but not limited to libel, slander, trade libel, product disparagement, injurious falsehood; or
- b) emotional distress or outrage based on harm to the character or reputation of any person or entity;

arising out of **media content, user generated content or your business activities**.

**We** will also pay **costs and expenses on your** behalf.

#### SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) infringement of any intellectual property rights, including, but not limited to, copyright, trademark, trade dilution, trade dress, design rights, domain name rights, moral rights, service mark or service name, but not including patent; or
- b) misappropriation of a trade secret; or
- c) act of passing-off, piracy or plagiarism or any misappropriation of content, concepts, format rights or ideas or breach of a contractual warranty relating to intellectual property rights; or
- d) breach of any intellectual property rights license acquired by **you**; or
- e) failure to attribute authorship or provide credit;

arising out of **media content, user generated content or your business activities**.

**We** will also pay **costs and expenses on your** behalf.

#### SECTION C: INVASION OF RIGHTS OF PRIVACY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness; or
- b) breach of agreement, breach of confidentiality or promissory estoppel, in connection with the failure to maintain the confidentiality of a source or materials furnished by a source or the

failure to portray a source or a subject in a certain light;

arising out of **media content, user generated content or your business activities**.

**We** will also pay **costs and expenses on your** behalf.

#### SECTION D: CONTENT LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) negligent act, error, omission, advice, misstatement or misrepresentation; or
- b) breach of any contractual term implied by law concerning necessary quality, safety or fitness, or **your** duty to use reasonable care and skill; or
- c) dishonesty of **your senior executive officers or employees** provided that **we** maintain all rights of subrogation against any **senior executive officer or employee** if they are found guilty of such a dishonest act; or
- d) other act, error or omission giving rise to civil liability;

arising out of **media content or user generated content**.

**We** will also pay **costs and expenses on your** behalf.

#### SECTION E: PERSONAL INJURY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) false arrest, detention or imprisonment; or
- b) malicious prosecution; or
- c) wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;

arising out of **media content, user generated content or your business activities**.

**We** will also pay **costs and expenses on your** behalf.

### INSURING CLAUSE 2: ERRORS & OMISSIONS

#### SECTION A: PROFESSIONAL LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) negligent act, error, omission, advice, misstatement or misrepresentation; or
- b) breach of any contractual term implied by law concerning necessary quality, safety or fitness, or **your** duty to use reasonable care and skill; or

- c) dishonesty of **your senior executive officers** or **employees** provided that **we** maintain all rights of subrogation against any **senior executive officer** or **employee** if they are found guilty of such a dishonest act; or
- d) other act, error or omission giving rise to civil liability;

arising out of **your business activities** performed for a **client**.

**We** will also pay **costs and expenses** on **your** behalf.

## SECTION B: BREACH OF CONTRACT

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** by a **client** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of any **breach of client contract**.

**We** will also pay **costs and expenses** on **your** behalf.

## SECTION C: FIDELITY OF EMPLOYEES

**We** agree to reimburse **you** for **loss** first discovered during the **period of the policy** and incurred directly as a result of the dishonesty of **your employees** where there was a clear intention to cause **you** **loss** and obtain personal gain.

**We** will also pay **costs and expenses** on **your** behalf.

## SECTION D: LOSS OF DOCUMENTS

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **damage to your documents** or **documents** in **your** care, custody or control.

**We** will also pay **costs and expenses** on **your** behalf.

## SECTION E: PAYMENT OF WITHHELD FEES

**We** agree to pay **your withheld fees** with our prior written consent in the event that **your client** brings or threatens to bring a **claim** against **you** that would be covered under **SECTIONS A** or **B** of this **INSURING CLAUSE** for an amount greater than **your withheld fees** if **you** attempt to recover the **withheld fees** from them. Prior to payment of **your withheld fees** **you** must obtain written confirmation from **your client** that they will not bring a **claim** against **you** if **you** agree not to pursue them for **your withheld fees** and provide it to **us**.

## ALL SECTIONS OF INSURING CLAUSE 2

**We** will not make any payment under any **SECTION** of **INSURING CLAUSE 2** in respect of any **claim** which would be covered under **INSURING CLAUSE 1**, regardless of whether **you** have purchased **INSURING CLAUSE 1** and regardless of any exhaustion of the **limit of liability** or **aggregate limit of liability** of **INSURING CLAUSE 1**.

## INSURING CLAUSE 3: LOSS MITIGATION

**We** agree to pay any reasonable costs necessarily incurred by **you** with our prior written consent in respect of measures taken by **you** for the sole purpose of avoiding or mitigating a **claim** or potential **claim** for which **you** would be entitled to indemnity under **INSURING CLAUSES 1** or **2** of this Policy had such measures not been taken.

However, **we** shall not pay any costs attributable to measures taken by **you** to mitigate risks that affect the wider business environment or the industry in which **you** conduct **your business activities** (as stated in the Declarations), as opposed to affecting primarily the company named as the Insured in the Declarations itself, or any **subsidiary**.

## INSURING CLAUSE 4: CYBER & PRIVACY

### SECTION A: CYBER LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) **third party** financial loss arising directly from a **hacking attack** or

- virus** that has emanated from or passed through **your computer systems** or a **cloud computing provider's** systems; or
- b) **third party** financial loss arising directly from their inability to access **your computer systems** in the way in which **you** have authorized them to as a direct result of **your computer systems'** failure or impairment, or a **cloud computing provider's** systems failure or impairment, due to a **hacking attack** or **virus**; or
- c) **third party** financial loss arising directly from the loss or theft of **your** data, or data for which **you** are responsible or held to be responsible, or **your** data held by a **cloud computing provider**, arising directly from a **hacking attack** or **virus**;

arising out of **media content**, **user generated content** or **your business activities**.

**We** will also pay **costs and expenses** on **your** behalf.

### SECTION B: PRIVACY LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for:

- a) a breach of any individual privacy rights, unintentional disclosure of personal information, failure to maintain the security of personally identifiable data including credit card information for which **you** are responsible, violation of any legal obligation relating to the security of personal information, or failure to warn of an actual or potential theft of personal information; or
- b) a breach of any rights of confidentiality, including a breach of any provisions of a non-disclosure agreement or breach of a contractual warranty relating to the confidentiality of data; or
- c) any fines, penalties or contractual damages **you** are legally obliged to pay as a direct result of a breach of **privacy obligations** where insurable under the applicable law; or
- d) any **claim** arising out of a) - c) above, which is due to the failure of a **cloud computing provider's** systems;

arising out of **media content**, **user generated content** or **your business activities**.

**We** will also pay **costs and expenses** on **your** behalf.

### SECTION C: PRIVACY BREACH NOTIFICATION COSTS

**We** agree to reimburse **you** for **privacy breach costs** subject to our prior written agreement (such agreement not to be unreasonably withheld):

- a) that **you** are legally obliged to incur; or
- b) that **you** are not legally obliged to incur, but where the reimbursement of these **privacy breach costs** will effectively mitigate or avoid a **claim** for which **you** would have been entitled to indemnity under **SECTION B** of **INSURING CLAUSE 4** had such **privacy breach costs** not been incurred; or
- c) that **you** are not legally obliged to incur, but where the reimbursement of these **privacy breach costs** will effectively mitigate material damage to your brand or reputation.

For the purpose of part c) of **SECTION C**, **privacy breach costs** shall only include sums reasonably required to notify **third parties** of an actual or suspected breach of their personal information and will be paid on a proportional basis of 75% of any **claim** payable by **us** and 25% of any **claim** payable by **you**.

### SECTION D: SYSTEM DAMAGE

**We** agree to reimburse **you** up to the **aggregate limit of liability** shown in the Declarations for **rectification costs**, subject to our prior written agreement (such agreement not to be unreasonably withheld) which **you** incur:

- a) in retrieving, restoring or replacing any of **your** computer programs or any other data media (or any other computer programs or any other data media for which **you** are responsible) that **you** first discover during the **period of the policy** have been **damaged**; or
- b) in repairing, restoring or replacing any of **your computer systems** that **you** first discover during the **period of the policy** have been **damaged**;

as the direct result of any **cyber peril**, or a **cloud computing provider's** systems failure or impairment due to a **cyber peril**, or accidental **damage to your data** first discovered during the **period of the policy**.

**We also agree to pay costs and expenses on your behalf.**

However, we shall not reimburse you for any **rectification costs** under this **SECTION of INSURING CLAUSE 4** which are covered under **INSURING CLAUSE 5, SECTION A** regardless of whether you have purchased **INSURING CLAUSE 5, SECTION A** and regardless of any exhaustion of the **amount insured of INSURING CLAUSE 5, SECTION A**.

## SECTION E: SYSTEM BUSINESS INTERRUPTION

**We agree to reimburse you for your reduction in profit** during a **system outage period** as the direct result of any **cyber peril**, or a **cloud computing provider's** systems failure or impairment due to a **cyber peril**, first discovered during the **period of the policy**.

**We also agree to pay costs and expenses on your behalf.**

## SECTION F: THREATS OR EXTORTION

**We agree to reimburse you for loss** due to threats received by you, either directly or indirectly, which you first discover during the **period of the policy**:

- a) to introduce any **hacking attack** or **virus** into your **computer systems**; or
- b) to disseminate, divulge or utilize information contained or once contained in your **computer systems**; or
- c) to damage, destroy or alter your **computer systems**; by any person who then demands ransom as a condition of not carrying out such threats.

## INSURING CLAUSE 5: COMMERCIAL PROPERTY

### SECTION A: PROPERTY DAMAGE

**We agree to reimburse you up to the amount insured** shown in the Declarations for:

1. the cost of repairing **damage** occurring during the **period of the policy to your premises**, including landlord's fixtures and fittings, walls, gates and fences, yards, car parks and pavements, trees, shrubs, plants and lawns, piping, ducting, cables, wires and associated control gear and accessories at **your premises** and extending to the public mains but only to the extent of your responsibility;
2. **damage** occurring during the **period of the policy to contents of every description** contained at **your premises**;
3. **damage** occurring during the **period of the policy to contents of every description** kept at the home of your **senior executive officers or employees** in the course of your **business activities**;
4. **damage** occurring during the **period of the policy to contents of every description** permanently or temporarily elsewhere, including while in transit;
5. the necessary and reasonable costs you incur following **damage** occurring during the **period of the policy** to glass which belongs to you or for which you are legally responsible for:
  - a) temporary boarding up;
  - b) repair of window frames or removal or replacement of fixtures and fittings in the course of replacing the glass;
  - c) replacement lettering or other ornamental work and alarm foil on glass;
6. **damage** occurring during the **period of the policy to money** held in the course of your **business activities**:
  - a) at **your premises** during business hours, in transit or in a Bank Night Safe;
  - b) at **your premises** outside business hours in a locked safe;
  - c) at the home of your **senior executive officers or employees**;
7. **damage** occurring during the **period of the policy** to the personal belongings of your **senior executive officers or employees** or visitors to **your premises** provided they are not covered under any other insurance;
8. **rectification costs** in reconstituting the data you need to continue your **business activities** if your business records and electronic data have been lost or distorted as a direct result of **damage** covered under this **INSURING CLAUSE**;

9. the costs you incur to replace locks and keys necessary to maintain the security of your **premises** or safes following theft of keys involving force and violence occurring during the **period of the policy**;
10. the amount of any rent for your **premises** which you are legally obliged to pay for any period during which your **premises** or any part of it is unusable as a result of **damage** covered under this **INSURING CLAUSE**;
11. loss of metered water or gas, as a result of **damage** resulting in a water or gas charge that you are unable to recover from any other party.

**We also agree to pay:**

- a) **costs and expenses on your behalf**;
- b) compensation as shown in the Declarations if any of your **senior executive officers or employees** who are aged between 16 and 70 on the Inception Date shown in the Declarations suffers a **bodily injury** in the course of your **business activities** in a robbery or attempted robbery and suffers:
  - i) death, **permanent total disablement, loss of a limb or loss of sight** as a direct result of the **bodily injury** within one year of the date of its occurrence;
  - ii) **temporary total disablement**. The compensation for **temporary total disablement** will be the amount shown in the Declarations per week, for a maximum of 104 weeks.

However, we will not pay compensation under more than one heading in the Declarations for the same **bodily injury**.

## SECTION B: BUSINESS INTERRUPTION

**We agree to reimburse you up to the amount insured** shown in the Declarations for your **loss of income, extra expense, loss of research and development expenditure, project delay costs and accounts receivable** resulting solely and directly from an interruption to your **business activities** caused by:

1. **insured damage to your premises or contents of every description** or to any other property used by you at **your premises**;
2. **insured damage** to property in the vicinity of your **premises** which prevents or hinders your access to your **premises**;
3. **insured damage** at the **premises** of one of your suppliers, other than a supplier of water, gas, electricity or telephone services;
4. failure in the supply of water, gas, electricity, or telephone services to your **premises** for more than 24 consecutive hours caused by **insured damage** to any property;
5. your inability to use your **premises** due to restrictions imposed by a public authority following:
  - a) a murder or suicide;
  - b) an occurrence of a notifiable human disease;
  - c) **bodily injury** traceable to food or drink consumed at your **premises**;
  - d) vermin or pests at your **premises**.

## INSURING CLAUSE 6: COMMERCIAL GENERAL LIABILITY

### SECTION A: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

**We agree to pay on your behalf** all sums which you become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** in the course of your **business activities**.

**We will also pay costs and expenses on your behalf.**

However, we will not make any payment on your behalf under this **SECTION** in respect of any **claim**:

- a) which is covered under any of **INSURING CLAUSES 1, 2 or 3**, or would be covered under any of **INSURING CLAUSES 1, 2 or 3**, but for the exhaustion of the **limits of liability** or **aggregate limits of liability** of any of **INSURING CLAUSES 1, 2 or 3**;
- b) arising directly or indirectly out of any **product**; or
- c) arising directly or indirectly out of any **pollution**.

## SECTION B: PRODUCTS AND COMPLETED OPERATIONS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** in the course of **your business activities** in connection with any **product**.

We will also pay **costs and expenses** on **your** behalf.

However, we will not make any payment on **your** behalf under this **SECTION** in respect of any **claim**:

- a) which is covered under any of **INSURING CLAUSES 1, 2 or 3**, or would be covered under any of **INSURING CLAUSES 1, 2 or 3**, but for the exhaustion of the **limits of liability** or **aggregate limits of liability** of any of **INSURING CLAUSES 1, 2 or 3**; or
- b) arising directly or indirectly out of any **pollution**.

## SECTION C: POLLUTION LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** and caused by **pollution** in the course of **your business activities** on condition that such **pollution**:

1. was the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the **period of the policy**; and
2. was not the direct result of **you** failing to take reasonable precautions to prevent such **pollution**, provided always that all such **pollution** that arises out of one incident shall be considered for the purposes of this Policy to have occurred at the time such incident takes place.

We will also pay **costs and expenses** on **your** behalf.

However, we will not make any payment on **your** behalf under this **SECTION** in respect of any **claim**:

- a) which is covered under any of **INSURING CLAUSES 1, 2 or 3**, or would be covered under any of **INSURING CLAUSES 1, 2 or 3** but for the exhaustion of the **limits of liability** or **aggregate limits of liability** of any of **INSURING CLAUSES 1, 2 or 3**; or
- b) arising directly or indirectly out of any **product**.

## SECTION D: TENANTS' LEGAL LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **damage** to **premises** leased to, hired by, on loan to or held in trust by **you** or otherwise in **your** care, custody or control occurring during the **period of the policy** in the course of **your business activities**.

We will also pay **costs and expenses** on **your** behalf.

However, we will not make any payment on **your** behalf under this **INSURING CLAUSE** in respect of any **claim**:

- a) which is covered under any of **INSURING CLAUSES 1, 2 or 3**, or would be covered under any of **INSURING CLAUSES 1, 2 or 3**, but for the exhaustion of the **limits of liability** or **aggregate limits of liability** any of **INSURING CLAUSES 1, 2 or 3**; or
- b) arising directly or indirectly out of any **product**.

## SECTION E: NON-OWNED AND HIRED AUTOMOBILE LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** and caused by the use or operation of any automobile in the course of **your business activities** that is not owned in whole or in part by the company named as the Insured in the Declarations or licensed in the name of the company named as the Insured in the Declarations.

We will also pay **costs and expenses** on **your** behalf.

## SECTION F: LIABILITY FOR DAMAGE TO HIRED OR LEASED AUTOMOBILES

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **damage** to an automobile leased to or hired by **you** from a **third party** occurring during the **period of the policy** in the course of **your business activities**.

We will also pay **costs and expenses** on **your** behalf.

As a precedent to coverage under **SECTIONS E** and **F** of **INSURING CLAUSE 6**, **you** agree and warrant that all **employees** who operate an automobile in the course of **your business activities** will maintain in full force and effect for the **period of the policy** primary automobile liability insurance in an amount equal to or greater than the minimum primary automobile liability limits required in the state of registration of the automobile. If a **claim** is made and the **employee** is determined to have failed the minimum limits required then the coverage under **SECTIONS E** and **F** of **INSURING CLAUSE 6** will respond as excess coverage as though the minimum limits were in full force and effect, whereby **you** agree to pay all sums within and up to the required minimum limit.

However, we shall not make any payment under **SECTIONS E** and **F** of **INSURING CLAUSE 6** as a result of any **claim** arising out of **bodily injury** or **damage** to a passenger of any automobile used in the course of **your business activities**.

## SECTION G: MEDICAL PAYMENTS

We agree to pay **medical expenses** for **bodily injury** caused by an accident occurring during the **period of the policy**:

- a) on premises **you** own or rent; or
- b) on ways next to premises **you** own or rent; or
- c) because of **your business activities**;

provided that:

- a) the injured person, at the time of the accident, is not entitled to benefits under any workers' compensation or disability benefits law or similar law; and
- b) the **medical expenses** are incurred and notified to **us** within one year of the date of the accident; and
- c) the injured person submits to examination, at **our** expense, by physicians of **our** choice as often as **we** reasonably require.

We will make these payments regardless of fault.

## SECTION H: EMPLOYEE BENEFITS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of any negligent act, error or omission committed by **you** or on **your** behalf in the **administration of your employee benefit program**.

Furthermore, we agree to pay on **your** behalf any **costs and expenses** necessarily incurred with **our** prior written consent in respect of measures taken by **you** with the object of avoiding or mitigating a **claim** for which **you** would be entitled to indemnity hereunder had such measures not been taken.

We will also pay **costs and expenses** on **your** behalf.

## INSURING CLAUSE 7: COURT ATTENDANCE COSTS

We agree to reimburse **you** up to the **amount insured** shown in the Declarations, subject to **our** prior written agreement (such agreement not to be unreasonably withheld), for **your** reasonable costs incurred to attend court or any arbitration or adjudication hearing as a witness of fact in connection with a **claim** or **loss** covered under any **INSURING CLAUSE** of this Policy for which **you** have purchased coverage.

## HOW MUCH WE WILL PAY

The maximum amount payable by us for all **claims, losses, damage, costs and expenses and medical expenses** shall not exceed the amounts shown in the Declarations in respect of each **INSURING CLAUSE** unless limited below.

Where more than one **claim, loss or medical expense** arises from the same original cause or single source or event all such **claims, losses or medical expenses** shall be deemed to be one **claim, loss or medical expense** and only one **limit of liability** shall be payable in respect of the aggregate of all such **claims, losses or medical expenses**.

Where cover is provided under multiple **SECTIONS** of an **INSURING CLAUSE** or multiple **INSURING CLAUSES** the maximum amount payable by us in respect of that **claim** shall be the highest Limit of Liability of the **SECTIONS** or **INSURING CLAUSES** under which cover is provided.

In respect of **INSURING CLAUSES 1, 2, 4 (SECTIONS A and B only) and 6 (SECTIONS A, B, C, D, E, F and H only)** we may at any time pay to you in connection with any **claim** the amount of the **aggregate limit of liability or limit of liability** (after deduction of any amounts already paid). Upon such payment being made we shall relinquish the conduct and control of and be under no further liability in connection with such **claim** except for the payment of **costs and expenses** incurred prior to the date of such payment (unless the **aggregate limit of liability or limit of liability** is stated to be inclusive of **costs and expenses**).

In respect of **INSURING CLAUSE 5, SECTION A** only:

- a) At our option, we will pay for any **damaged** property on the following basis:
  - i) for **your premises**, the cost of rebuilding or replacing the **damaged** property;
  - ii) for **contents of every description**, the cost of repair or replacement as new.
- b) If, at the time the **damage** occurs, the **amount insured** is less than 85% of the total value of **your premises or contents of**

**every description** insured, the amount we will pay will be reduced in the same proportion as the **amount insured** bears to the total value of **your premises or contents of every description** insured.

- c) The **amount insured** for **your premises and contents of every description** will be adjusted monthly in line with any increase in nationally published indices. We will not reduce the **amount insured** without your consent.
- d) Where improvements made by you to **your premises** are not **damaged**, but the lease on **your premises** is cancelled as a result of **insured damage**, we shall pay for the cost of reinstating such improvements to the extent that they are not salvageable.

In respect of **INSURING CLAUSE 5, SECTION B** the amount we will pay will be:

- a) the difference between **your actual income** during the **indemnity period** and the **income** it is estimated you would have earned during that period or, if this is your first trading year, the difference between **your income** during the **indemnity period** and during the period immediately prior to the **loss**, less any savings resulting from the reduced **costs and expenses** you pay out of **your income** during the **indemnity period**; and
- b) any additional **costs and expenses**.

In respect of **INSURING CLAUSE 5, SECTION B** only the amount we will pay will also include:

- a) any **project delay costs** during the **indemnity period**, including the total value of any milestone payments that were due in the **indemnity period** but will no longer be received by you either during the **indemnity period** or at any point in the future due to permanent termination of the project; and
- b) any **research and development expenditure** irrevocably lost during the **indemnity period**; and
- c) any **accounts receivable**, provided you keep a record of all amounts owed to you and keep a copy of the record away from **your premises**.

## YOUR DEDUCTIBLE

We shall only be liable for that part of each and every **claim, loss or medical expense** (which for the purpose of this clause shall be deemed to include all **costs and expenses** incurred) which exceeds the amount of the Deductible stated in the Declarations.

Where more than one **claim, loss or medical expense** arises from the same original cause or single source or event all such **claims, losses or medical expenses** shall be deemed to be one **claim, loss or medical expense** and only one Deductible will apply.

Where cover is provided under multiple **SECTIONS** of an **INSURING CLAUSE** only one Deductible will apply to that **claim or loss** and this shall be the highest Deductible of the **SECTIONS** under which cover is provided.

If any expenditure is incurred by us which by virtue of this clause is **your** responsibility then you shall reimburse such amount to us on our request or where possible we will deduct such amount from any payment we make to you.

## DEFINITIONS

### 1. "Accounts receivable"

means:

- a) all sums due to you from customers, provided you are unable to effect collection thereof as the direct result of **insured damage** to records of accounts receivable;
- b) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such **insured damage**;
- c) collection expense in excess of normal collection cost and made necessary because of **insured damage**.

### 2. "Administration"

means:

- a) counseling **employees**, including their dependants and beneficiaries with respect to **your employee benefit program**;
- b) handling records in connection with **your employee benefit program**;

- c) effecting enrolment or termination of any **employee's** participation in a plan included in **your employee benefit program**;
- d) interpreting **your employee benefit program**.

### 3. "Aggregate limit of liability"

means the maximum amount payable as stated in the Declarations by us in respect of all **claims and losses**, or in respect of all accidents giving rise to **medical expenses**.

### 4. "Amount insured"

means the maximum amount payable by us as shown in the Declarations in respect of **INSURING CLAUSE 5**. The amount applies to each incident of **loss or damage** occurring during the **period of the policy** provided always that after the first incident of **loss or damage** you comply with our recommendations to prevent any further incidents of **loss or damage**.

5. **"Bodily injury"**  
means death, bodily injury, mental injury, illness or disease of or to any person.
6. **"Breach of client contract"**  
means **your** unintentional breach of a contract relating to the performance of **your business activities** for a **client**.
7. **"Business activities"**  
means:
- in respect of **INSURING CLAUSES 1 to 4**, the Business Activities, as stated in the Declarations, but not including the dissemination of **media content** or **user generated content**;
  - in respect of all other **INSURING CLAUSES**, the Business Activities, as stated in the Declarations and shall include, for the purpose of those Business Activities:
    - the ownership, repair and maintenance of **your** property;
    - provision and management of canteen, social, sports and welfare organizations for the benefit of **your senior executive officers** or **employees** and medical, fire fighting, and security services;
    - attendance at conferences and tradeshow as either an exhibitor or visitor.
- However, it shall not include the dissemination of **media content** or **user generated content**.
8. **"Claim"**  
means:
- a demand for money, services, retraction or correction, including the service of suit or institution of arbitration or mediation proceedings; or
  - a threat or initiation of a suit seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction) or declaratory relief; or
  - a disciplinary action, regulatory investigation or proceeding brought by any professional body, occupational health and safety body or regulator.
9. **"Client"**  
means any **third party** with whom **you** have a contract in place for the supply of **your business activities** in return for a fee, or where a fee would normally be expected to be paid.
10. **"Cloud computing provider"**  
means a **third party** provider of hosted computing services accessed across the internet including infrastructure, platform and application level services.
11. **"Computer systems"**  
means all electronic computers including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, including **cloud computing providers**, off-line media libraries and data back-ups.
12. **"Contents of every description"**  
means the contents of **your premises** which are owned by **you** or for which **you** are legally responsible, including:
- computer and ancillary equipment (including VDUs, keyboards, printers and software), television and video equipment, photographic, photocopying, surveying and telecommunications equipment;
  - documents**, briefs, manuscripts, plans, business books, **computer systems**, records and programs;
  - goods held in trust, stock and samples;
  - wines, spirits and tobacco kept for entertainment purposes;
  - works of art or precious metals;
  - fixed glass in windows, doors and fanlights, glass showcases, glass shelves, mirrors and sanitary fixtures and fittings;
  - heating oil for **your premises** contained in fixed tanks in the open at the address shown in the Declarations;
  - tenant's improvements, decorations, fixtures and fittings including, if attached to the building, external signs, aerials and satellite dishes;
  - pipes, ducting, cables, wires and associated control equipment at the address shown in the Declarations and extending to the public mains.

**"Contents of every description"** does not include **money** or the personal belongings of **your senior executive officers** or **employees** or visitors to **your premises**.

13. **"Corporate blogging"**  
means creating or editing a web log, discussion forum post, online comment, or other associated social media activity where the primary purpose of that activity is to promote **you** or the individual's position within **your** industry even if the nature of the content is not directly associated with **your business activities**.
14. **"Costs and expenses"**  
means:
- in respect of **INSURING CLAUSES 1, 2, 4 (SECTIONS A and B only)**, and **6 (SECTIONS A, B, C, D, E, F and H only)**:
    - your** legal costs and expenses in the defense or settlement of any **claim** made against **you**; and
    - your** legal costs and expenses in the defense of any criminal claim made against **you**, provided that **we** maintain all rights of subrogation against any **senior executive officer** or **employee** if they are found guilty of such a criminal act; and
    - your** legal costs and expenses incurred in quashing or challenging the scope of any subpoena or witness summons ordering **you** to disclose or produce any information or material which was created, produced or disseminated by **you**; and
    - interest on that part of any judgment **we** pay that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the **limit of liability**;
  - in respect of **INSURING CLAUSES 4 (SECTIONS D and E only)** and **5**, the costs and expenses incurred by **you** or on **your** behalf in establishing that **you** have sustained a **loss** or **damage** and the quantum of such **loss** or **damage** or the costs and expenses incurred by **you** or on **your** behalf in mitigating any such **loss** or **damage**;
  - your** costs and expenses to access **our** 24 hour privacy breach hotline;
  - in respect of **INSURING CLAUSE 5, SECTION A** only, the necessary and reasonable costs and expenses **you** incur to remove debris from **your premises** or the area immediately adjacent, following **damage** covered under **INSURING CLAUSE 5, SECTION A**; and
  - in respect of **INSURING CLAUSE 5, SECTION B**, the necessary and reasonable additional costs and expenses **you** incur in order to continue **your business activities** as stated in the Declarations during the **indemnity period**.

Subject to all **costs and expenses** being incurred with the Claims Managers' written consent (such consent not to be unreasonably withheld).

If **costs and expenses** are shown in the Declarations to be in addition to the **aggregate limit of liability** or **limit of liability** in respect of **INSURING CLAUSES 1, 2, 4 (SECTIONS A and B only)** and **6 (SECTIONS A, B, C, D, E, F and H only)**, and if a payment in excess of the amount of indemnity available hereunder has to be made to dispose of any **claim**, **our** liability for such **costs and expenses** shall be such proportion thereof as the amount of indemnity available hereunder bears to the amount required to dispose of such **claim**, subject always to the maximum amount of **costs and expenses** shown in the Declarations.

**Costs and expenses** are always included in the **amount insured** in respect of **INSURING CLAUSES 4**.

15. **"Cyber peril"**  
means any:
- hacking attack** or **virus**; or
  - malicious damage to **your computer systems** by an **employee**; or
  - failure of a **cloud computing provider** or other **third party** hosting **your computer systems** as a direct result of (a) or (b) above.

16. **"Damage/damaged"**  
means damage to, or destruction of, or loss of possession of, property. In respect of **INSURING CLAUSES 1, 2, 4, SECTIONS A and B** only and **6** damage does not include damage to or destruction of, or loss of possession of, or loss of use of, or corruption of, data.
17. **"Documents"**  
means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms, computer programs or any other data media and documents of any nature whatsoever, whether written, printed or reproduced by any other method (other than bearer bonds, coupons, bank notes, currency notes and negotiable instruments).
18. **"Employee"**  
means any:  
a) person employed by the company named as the Insured in the Declarations, or any **subsidiary**; or  
b) person undertaking study or work experience or youth training scheme with the company named as the Insured in the Declarations, or any **subsidiary**.
- Employee** does not include any **senior executive officer** of the company named as the Insured in the Declarations, or any **subsidiary**.
19. **"Employee benefit program"**  
means group automobile insurance, group homeowners insurance, group life insurance, group dental insurance, group health insurance, **profit sharing plans**, pension plans, early retirement offerings, employee investment subscription plans, Workers' Compensation, Unemployment Insurance, Social Security, Disability Benefit Insurance, travel, savings or vacation plans or any similar benefit programs.
20. **"Extra expense"**  
means the necessary and reasonable extra costs and expenses **you** incur in order to continue **your business activities** during the **indemnity period** or **system outage period**.
21. **"Hacking attack"**  
means any malicious or unauthorized electronic attack including but not limited to any fraudulent electronic signature, brute force attack, phishing, denial of service attack, that has been initiated by any **third parties** or by any **employees** and that is designed to **damage**, destroy, corrupt, overload, circumvent or impair the functionality of any **computer system**.
22. **"Income"**  
means **your** total income from **your business activities** less direct costs.
23. **"Indemnity period"**  
means the period beginning at the date of the **damage**, or the date the restriction is imposed, and lasting for the period during which **your income** or expenditure is affected as a result of such **damage** or restriction, but for no longer than the number of months shown in the Declarations.
24. **"Insured damage"**  
means **damage** to property provided that:  
a) the **damage** is covered under **INSURING CLAUSE 5, SECTION A**; or  
b) an insurer has paid the **claim**, or has agreed to pay the **claim**, under any other insurance covering such **damage**.
25. **"Limit of liability"**  
means the maximum amount payable by us as stated in the Declarations in respect of each **claim** or **loss**, or in respect of each accident giving rise to **medical expenses**.
26. **"Loss of a limb"**  
means loss by physical separation of a hand at or above the wrist, of a foot at or above the ankle, and includes total and irrecoverable loss of use of a hand, arm or leg.
27. **"Loss of sight"**  
means total and irrecoverable loss of sight.
28. **"Loss"**  
means direct financial loss sustained by **you**.
29. **"Media content"**  
means any content regardless of the nature or form of such content, including, but not limited to, content disseminated through books, newspapers, magazines, television, radio, advertising, websites, chat rooms, bulletin boards, databases, blogs or mobile phones or any other means which is created or disseminated by **you** or on **your** behalf.
- Media content** does not include advertisements created by **you** for a **third party** in return for a fee, or where a fee would normally be expected to be paid.
30. **"Medical expenses"**  
means reasonable expenses for:  
a) first aid administered at the time of an accident;  
b) necessary medical, surgical, x ray and dental services, including prosthetic devices;  
c) necessary ambulance, hospital, professional nursing and funeral services.
31. **"Money"**  
means cash, bank and currency notes, checks, travellers' checks, postal orders, money orders, crossed bankers' drafts, current postage stamps, savings stamps and certificates, trading stamps, gift tokens, customer redemption vouchers, company sales vouchers, credit card counterfoils, travellers tickets and contents of franking machines, all belonging to **you**.
32. **"Period of the policy"**  
means:  
a) the period between the Inception Date shown in the Declarations and the Expiry Date shown in the Declarations; or  
b) the period between the Inception Date shown in the Declarations and the expiry of any applicable Extended Reporting Period; or  
c) the period between the Inception Date shown in the Declarations and the date on which the Policy is cancelled in accordance with the "Cancellation" **CONDITION**.
33. **"Permanent total disablement"**  
means disablement which entirely prevents the injured person from attending to any business or occupation for which he is reasonably suited by training, education or experience and which lasts for 24 calendar months and at the expiry of that period being beyond hope of improvement.
34. **"Pollution"**  
means pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.
35. **"Premises"**  
means a building (including any outbuildings) occupied in connection with **your business activities**.
36. **"Privacy breach costs"**  
means any sums reasonably required to:  
a) fulfil any obligation **you** have to notify **third parties** of an actual or suspected breach of privacy in relation to any personal information; or  
b) establish a credit monitoring service or identity theft helpline; or  
c) conduct an independent security audit of **your computer systems** to identify the source and scope of the privacy breach.
37. **"Privacy obligations"**  
means **your** legal obligations arising directly from:  
a) any privacy statement governing the handling of information on **your computer systems**; or  
b) any written contract between **you** and a **third party** governing the processing and storage of credit card information on **your computer systems**; or  
c) any implied contractual duty to use reasonable care and skill in the handling of personal data or credit card information (including breaches of the Payment Card Industry Data Security Standard); or  
d) any legal obligation to notify individuals of an actual or potential breach of their private or confidential data; or

- e) statutory data protection regulations in the country or countries where **you** operate, including industry specific data protection and security regulations (e.g. the Healthcare Insurance Portability and Accountability Act 1996) as they currently exist and as amended.
38. **“Product”**  
means any tangible property (including containers, packaging, labeling or instructions, but explicitly excluding any software, data, or source code) after it has left **your** custody or control which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered, processed, cleaned, renovated or repaired by **you** or on **your** behalf in the course of **your business activities**.
39. **“Profit sharing plans”**  
means only such plans that are equally available to all full time employees.
40. **“Project delay costs”**  
means any additional costs and expenses incurred by **you** as a direct result of a delay to a project, including the interest charges incurred from any reasonable loan required as a result of a delayed milestone payment.
41. **“Rectification costs”**  
means those costs that **you** incur as a result of the use of external consultants, contractors or advisers or any additional costs that **you** incur to pay **your employees**. For the avoidance of doubt, **rectification costs** does not include the basic salaries of **your employees** or **your** office expenses or any payments that **you** have paid or agreed to pay as part of any service or maintenance contract.
42. **“Reduction in profit”**  
means **your** reasonably forecasted income before tax for the Indemnity Period, less:  
a) actual income less sales tax for the Indemnity Period; and  
b) any saving in costs as a result of the reduction in income; as determined by an independent expert appointed by the Claims Managers.
43. **“Research and development expenditure”**  
means **your** expenditure on research and development less the cost of reusable materials consumed for the purposes of the research and development.
44. **“Senior executive officer”**  
means board members, executive officers, in-house lawyers, risk managers, chief operating officers, chief technology officers, chief information officers, and chief privacy officers of the company named as the Insured in the Declarations, or any **subsidiary**.
45. **“Subsidiary”**  
means any company which the company named as the Insured in the Declarations controls through:  
a) holding 50% or more of the voting rights; or  
b) having the right to appoint or remove 50% or more of its board of directors; or  
c) controlling alone, pursuant to a written agreement with other shareholders or members, 50% or more of the voting rights therein.
46. **“System outage period”**  
means the period during which **your computer systems** or a **cloud computing provider’s** systems are unavailable or operating at less than full operational capacity, including an additional period of 30 days for **you** to resume **your business activities**, as a direct result of the **cyber peril**.
- In the event of an intermittent problem causing repeated unavailability of systems as a direct result of the same proximate cause this will be deemed to be one continuous period.
- The maximum **system outage period** is as stated in the Declarations.
47. **“Temporary total disablement”**  
means disablement which entirely prevents the injured person from attending to his business or occupation.
48. **“Third party”**  
means any person or company who is not a **senior executive officer** or **employee** of the company named as the Insured in the Declarations or any **subsidiary**.
49. **“User generated content”**  
means any digital content including, but not limited to, content disseminated through websites, social networks, chat rooms, bulletin boards, databases, blogs or mobile phones which is not created by **you** or on **your** behalf but for which **you** are deemed to be responsible.
50. **“Virus”**  
means any malicious software code including but not limited to any logic bomb, Trojan horse or worm that has been introduced by any **third parties** or by any **employees** and that is designed to **damage**, destroy, corrupt, overload, circumvent or impair the functionality of **computer systems**.
51. **“We/our/us”**  
means the Underwriters named in the Declarations.
52. **“Withheld fees”**  
means any contractually due fee that **your client** refuses to pay **you**, but excludes any part of the fee that represents **your** profit or mark-up or liability for taxes.
53. **“Workmanship”**  
means any physical workmanship in manufacture, fabrication, construction, erection, installation, assembly, alteration, servicing, remediation, repair, demolition or disassembly (including any materials, parts or equipment furnished in connection therewith) by **you**.
54. **“Wrongful act”**  
means any act or event the subject of **INSURING CLAUSES 1** to **4** of this Policy for which **you** have purchased coverage.
55. **“You/your”**  
means:  
a) the company named as the Insured in the Declarations, or any **subsidiary**; and  
b) any past, present or future **senior executive officer** or **employee** of the company named as the Insured in the Declarations or any **subsidiary**; and  
c) any past, present or future officers, committees and members of **your** canteen, social, sports, medical, fire fighting, security services and welfare organizations for legal liabilities incurred in their respective capacity as such.

## EXCLUSIONS

We will not:

- a) make any payment on **your** behalf for any **claim**; or
- b) incur any **costs and expenses**; or
- c) reimburse **you** for any **loss, damage**, legal expenses, fees or costs sustained by **you**; or
- d) pay any **medical expenses**:

### EXCLUSIONS RELATING TO OTHER INSURANCES:

#### 1. **Auto**

arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any motor vehicle or trailer, other than **bodily injury or damage**:

- a) caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer;
- b) occurring beyond the limits of any carriageway or thoroughfare and caused by the loading or unloading of any motor vehicle or trailer;
- c) arising out of the use of any motor vehicle or trailer temporarily in **your** custody or control for the purpose of parking;
- d) occurring beyond the limits of any carriageway or thoroughfare and caused by the use of any unlicensed vehicle, including but limited to snowmobiles and all terrain vehicles, in the course of **your business activities**;

provided always that we will not make any payment on **your** behalf or incur any **costs and expenses** in respect of any legal liability for which compulsory insurance or security is required by legislation or for which a government or other authority has accepted responsibility.

However, this **EXCLUSION** shall not apply in respect of **INSURING CLAUSE 6, SECTIONS E and F**.

#### 2. **Automobile use without owner's consent**

arising out of or relating directly or indirectly to the use by **you** of any automobile or trailer without the consent of the owner.

#### 3. **Commercial passenger vehicles**

arising out of or relating directly or indirectly to the use by **you** of a commercial passenger vehicle including, but not limited to, a coach, bus or minibus, or any other vehicle containing 9 (nine) or more people.

#### 4. **Design liability**

in respect of **INSURING CLAUSE 1** only, arising directly or indirectly from any actual or alleged **product** design, industrial design, architectural design or architectural services.

#### 5. **Directors' and officers' liability**

arising out of any personal liability incurred by **your senior executive officers** when they are acting in that capacity or managing **you**, or arising from any statement, representation or information regarding **your** business contained within any accounts, reports or financial statements.

#### 6. **Employment practices**

arising out of or resulting from:

- a) any employer-employee relations, policies, practices, acts, omissions, any actual or alleged refusal to employ any person, or misconduct with respect to **employees**; or
- b) any acts or omissions committed by **you** or any of **your senior executive officers** or **employees** which are in breach of, any terms and conditions of a contract, whether express or implied, including but not limited to misappropriation of trade secrets or a breach of other restrictive covenants, relating to the previous employment of any of **your senior executive officers** or **employees**.

unless specifically covered under **INSURING CLAUSE 4, SECTION B**.

#### 7. **Employers' liability**

arising directly or indirectly out of **bodily injury to your senior**

**executive officers or employees.**

However, this **EXCLUSION** shall not apply to **senior executive officers or employees** on whose behalf contributions are required to be made by **you** under the provisions of any Workers' Compensation Law in respect of whom liability has been denied by any Workers' Compensation authority.

#### 8. **Errors and omissions**

arising directly or indirectly out of an actual or alleged breach of **your** professional duty, unless specifically covered under **INSURING CLAUSES 1 (SECTIONS A to C only)** or 2 for which **you** have purchased coverage.

#### 9. **General liability**

in respect of **INSURING CLAUSES 1, 2, 3 and 4, SECTIONS A to C only**, arising directly or indirectly out of **bodily injury or damage** that did not occur directly as a result of **media content, user generated content or your business activities**.

#### 10. **Marine and aviation**

arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any aircraft, drone, hovercraft, watercraft, offshore installation, offshore rig or offshore platform.

#### 11. **Product guarantee**

for costs incurred in the repair, alteration, reinstatement, inspection, reconditioning or replacement of any **product** or part thereof and any financial loss consequent upon the necessity for such repair, alteration, reinstatement, inspection, reconditioning or replacement, other than in respect of **INSURING CLAUSE 2** when **you** are legally obliged to pay these sums to a **client**.

#### 12. **Product recall**

arising directly or indirectly from the recall of any **product** or part thereof except for **claims** made under **INSURING CLAUSE 2** where **you** are legally liable for these costs to a **third party** as the direct result of a **wrongful act** committed or alleged to have been committed by **you**.

#### 13. **Products liability**

in respect of **INSURING CLAUSES 1, 2, 3 and 4, SECTIONS A to C only**, arising directly or indirectly out of **bodily injury or damage** caused by a **product**.

#### 14. **Workmanship**

in respect of **INSURING CLAUSES 1, 2, 3 and 4, SECTIONS A to C only**, arising directly or indirectly out of **bodily injury or damage** caused by **workmanship**.

#### 15. **Other insurance**

for which **you** are entitled to indemnity under any other insurance except for:

- a) any additional sum which is payable over and above such other insurance; or
- b) any contribution that we are obliged to make by law and that contribution shall be in proportion to the respective limits of liability or amounts insured of the Policies.

### EXCLUSIONS RELATING TO THE CONDUCT OF YOUR BUSINESS:

#### 16. **Benefit laws**

arising directly or indirectly out of **your** failure to comply with the mandatory provisions of any law concerning workers' compensation, unemployment insurance, social security, disability benefits or pension benefits.

#### 17. **Chargebacks**

arising directly or indirectly from any chargeback, liability or fee incurred by **you** as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction, unless specifically covered under **INSURING CLAUSE 4, SECTIONS B and C** for which **you** have purchased coverage.

18. **Circumstances known at inception**  
arising out of any circumstances or occurrences which could give rise to a **claim, loss or damage** under this Policy or any accidents giving rise to **medical expenses** of which a **senior executive officer** was aware, or ought reasonably to have been aware, prior to the Inception Date of this Policy, whether notified under any other insurance or not.
19. **Collection of private data without consent**  
arising directly or indirectly from **your** actual or alleged failure to obtain explicit consent from any private individual before collecting, storing or sharing any of their personal information, including but not limited to internet search history and internet browsing habits.
20. **COPPA**  
arising directly or indirectly from **your** actual or alleged failure to comply with the requirements of the Children's Online Privacy Protection Act of 1998 (COPPA) or any other similar legislation in a different jurisdiction relating to the security and privacy of minors and their personal information online.
21. **Employee benefit program advice**  
arising directly or indirectly from any actual or alleged:
  - a) advice given to any person to participate or not to participate in any plan included in **your employee benefit program**;
  - b) the failure of any investment to perform as represented by **you**.
22. **Failure to ensure feasibility of contracts**  
in respect of **INSURING CLAUSE 2** only, arising from any contract where before entering into or amending the contract **you** failed to take reasonable steps to ensure that **you** could fulfil all **your** obligations in accordance with the terms of the contract.
23. **Faulty workmanship**  
arising from **damage to your** property or **premises** caused directly or indirectly by misuse, inadequate or inappropriate maintenance, faulty **workmanship**, defective design, the use of faulty materials or whilst being cleaned, worked on or maintained.
24. **Hazardous devices**  
arising directly or indirectly from any **product** which with **your** knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, military vehicle, hovercraft, waterborne craft or any medical equipment.
25. **Hired or leased vehicles exclusions**  
in respect of **INSURING CLAUSE 6 (SECTION F)** only, arising out of or relating directly or indirectly to:
  - a) **damage** to tires or consisting of or caused by mechanical failure or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber;
  - b) **damage** to contents of trailers or to rugs or robes;
  - c) **damage** occurring after theft by any person residing in the same dwelling **premises as you**;
  - d) **damage** caused by any **employee** engaged in the maintenance or repair of the automobile.
26. **Inadequate server capacity**  
in respect of **INSURING CLAUSE 4, SECTION E** only for any business interruption **loss** incurred as a result of **your** servers not having the sufficient capacity to process all of the requests placed upon them solely because the demand for **your** websites is larger than the servers are designed to process, unless the reason for such levels of demand is due to an attack on **your** service levels by any malicious denial of service attack.
27. **Internet infrastructure failure**  
in respect of **INSURING CLAUSE 4, SECTIONS D and E** only, arising directly or indirectly from the failure of external networks, cables, and core internet infrastructure servers.
28. **Legal action**  
where action for damages is brought in a court of law outside the territories specified in the Declarations, or where action is brought in a court of law within those territories to enforce a judgment outside of those territories whether by way of reciprocal agreement or otherwise.
29. **Limiting recovery rights**  
in respect of **INSURING CLAUSE 2** only, arising directly or indirectly out of **your** failure to take reasonable steps to ensure that **our** rights of recovery against any **third party** are not unduly restricted or financially limited by a specific term in any contract or agreement.
30. **Liquidated damages, service credits and penalty clauses**  
in respect of **INSURING CLAUSE 2** only, for liquidated damages or service credits, or arising out of penalty clauses.
31. **Long term leased vehicles**  
arising out of or relating directly or indirectly to any automobile or trailer hired or leased by **you** from a **third party** for a period greater than 30 consecutive days.
32. **Machinery or computer breakdown**  
in respect of **INSURING CLAUSE 5** only, arising directly or indirectly from:
  - a) **damage to your** electrical or mechanical plant; or
  - b) loss or distortion of **your data or your computer systems**, television or video equipment, photographic, photocopying, surveying or telecommunications equipment; resulting from its own breakdown, explosion or collapse.

However, we will reimburse **you** under **INSURING CLAUSE 5** up to the **amount insured** for **loss** occurring during the **period of the policy** following breakdown of **your computer systems**, but only if **your computer systems** are subject to a manufacturer's guarantee or a maintenance contract providing free parts and labor in the event of a breakdown, and only where the **loss** is not covered under **INSURING CLAUSE 4, SECTION D**, regardless of whether **you** have purchased **INSURING CLAUSE 4, SECTION D** and regardless of any exhaustion of the **aggregate limit of liability** of **INSURING CLAUSE 4, SECTION D**.
33. **Minimum outage period**  
in respect of **INSURING CLAUSE 4, SECTION E** only, arising out of any **cyber peril** that results in a systems failure or impairment that lasts for less than the Minimum Outage Period stated in the Declarations.
34. **Misleading advertising**  
arising directly or indirectly from any actual or alleged advertisement promoting **your business activities** which is false or misleading.
35. **Patents**  
arising out of the actual or alleged infringement of any patent or inducing the infringement of any patent.
36. **PCI Compliance Acceleration Programme**  
in respect of **INSURING CLAUSE 4** only, as a result of fines or penalties from **your** acquiring bank arising directly from **your** actual or alleged failure to implement security measures in accordance with the PCI Data Security Standard implementation timetable where a data breach has not occurred.
37. **Programming errors**  
in respect of **INSURING CLAUSE 4, SECTIONS D and E** only, arising directly or indirectly from any computer programming error, software bug, software implementation or upgrade error.
38. **Retroactive Date**  
in respect of **INSURING CLAUSES 1, 2, 3, 4 (SECTIONS A and B only) and 6 (SECTION H)** only, arising out of any event or actual or alleged **wrongful act** occurring, in whole or in part, before the date specified as the Retroactive Date in the Declarations.
39. **Telephone system hacking**  
in respect of any telephony or internet bandwidth costs arising directly out of a **hacking attack to your** telephone system or unauthorized use of **your** internet connection that has been initiated by any **third party**.
40. **Unjust enrichment**  
In respect of **INSURING CLAUSE 1, SECTION B** only, for that part of any **claim** that results in **you** being in a better financial position as a direct result of **your wrongful act** than **you** would have been if **you** had not committed the **wrongful act**.

However, in respect of **INSURING CLAUSE 1, SECTION B**, and notwithstanding **CONDITION 6**, we shall pay costs and expenses on your behalf unless and until this **EXCLUSION** is ascertained to apply to all or any part of a claim (including by judgment, arbitral award, settlement or agreement between you and us).

This does not affect any other clause or term of this Policy.

41. **Unlawful surveillance**  
in respect of any actual or alleged eavesdropping, wiretapping, audio or video recording.
42. **Unsolicited communications**  
notwithstanding part a) of **EXCLUSION 45**, arising directly or indirectly from any actual or alleged violation of:
  - a) the CAN-SPAM Act of 2003 or any subsequent amendments to that Act; or
  - b) the Telephone Consumer Protection Act (TCPA) of 1991 or any subsequent amendments to that Act; or
  - c) any other law, regulation or statute relating to unsolicited to a claim, loss or damage under this Policy or any accidents giving communication, distribution, sending or transmitting of any communication via telephone or any other electronic or telecommunications device.
43. **Webscraping and data harvesting**  
arising directly from your unauthorized use of any web scraping or data harvesting techniques including, but not limited to, the use of any unauthorized Application Programming Interface to automatically collect web based information, or the use of automated tools which directly contravene the target website's terms of use.
44. **Wilful or dishonest acts of senior executive officers**  
in respect of **INSURING CLAUSES 1, 2, 3 and 4** only, arising out of any wilful, malicious, reckless or dishonest act or omission by any senior executive officer, unless such person had already ceased to be a senior executive officer of the company named as the Insured in the Declarations and all subsidiaries at the time of their first wilful, malicious, reckless or dishonest act or omission, or unless specifically covered under **INSURING CLAUSE 1, SECTION D**, part (c) or **INSURING CLAUSE 2, SECTION A**, part (c) for which you have purchased coverage. We will not provide any cover for any senior executive officer who commits, condones or ignores any dishonesty.

## GENERAL INSURANCE EXCLUSIONS

45. **Antitrust**  
for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising other than:
  - a) where specifically covered under **INSURING CLAUSE 1** or **INSURING CLAUSE 4** for which you have purchased coverage; or
  - b) any covered portion of any claim based on your alleged unauthorized use of a third party's trademark.
46. **Asbestos**  
arising directly or indirectly or resulting from or contributed to by the manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, materials or products containing asbestos, or asbestos fibers or dust.
47. **Associated companies**
  - a) in respect of any claim made by any company firm or partnership in which the company named as the Insured in the Declarations has greater than a 10% executive or financial interest, unless such claim emanates from an independent third party; or
  - b) in respect of any claim made by any company firm partnership or individual which has greater than a 10% executive or financial interest in the company named as the Insured in the Declarations or any subsidiary, unless such claim emanates from an independent third party; or
  - c) arising out of or resulting from any of your activities as a trustee, partner, officer, director or employee of any

employee trust, charitable organization, corporation, company or business other than that of the company named as the Insured in the Declarations or any subsidiary; or

- d) in respect of any claim made by or on behalf of the company named as the Insured in the Declarations or any subsidiary.

48. **Earthquake**  
in respect of **INSURING CLAUSE 5** only, caused by earthquake, except for:
  - a) ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment; or
  - b) ensuing damage to contents of every description while in transit.
49. **Electromagnetic fields**  
directly or indirectly arising out of, resulting from or contributed to by electromagnetic fields, electromagnetic radiation, electromagnetism, radio waves or noise.
50. **ERISA**  
based upon the Employment Retirement Income Security Act of 1974 and any amendment thereto, or any rules or regulations promulgated thereunder.
51. **Fines**  
for fines, penalties, civil or criminal sanctions and multiple damages, unless specifically covered under **INSURING CLAUSE 4, SECTION B**, part (c) for which you have purchased coverage.
52. **Flood**  
in respect of **INSURING CLAUSE 5** only, caused by flood, including waves, tides, tidal waves, or the rising of, the breaking out, or the overflow, of any body of water whether natural or manmade, but this **EXCLUSION** does not apply to:
  - a) ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment; or
  - b) ensuing damage to contents of every description while in transit.
53. **Insolvency**  
arising out of or relating directly or indirectly from your insolvency or bankruptcy, or the insolvency or bankruptcy of any third party. Furthermore, no coverage is provided under **INSURING CLAUSE 4, SECTION E** or **INSURING CLAUSE 5, SECTION B** if you, become insolvent or bankrupt.
54. **Land or water**  
arising directly or indirectly from damage to land or water within or below the boundaries of any land or premises presently or at any time previously owned or leased by you or otherwise in your care, custody or control.
55. **Miscellaneous property exclusions**  
in respect of **INSURING CLAUSE 5** only, arising directly or indirectly from:
  - a) wear and tear, inherent defect, rot, vermin or infestation, or any gradually operating cause;
  - b) dryness or humidity, being exposed to light or extreme temperatures, unless the damage is caused by storm or fire;
  - c) coastal or river erosion;
  - d) a rise in the water table;
  - e) theft from an unattended vehicle unless the stolen item is out of sight;
  - f) frost, other than damage due to water leaking from burst pipes forming part of the permanent internal plumbing provided the premises are occupied and in use;
  - g) arising directly or indirectly from unexplained loss or disappearance or inventory shortage of your property;
  - h) a hacking attack or virus.
56. **Named windstorms**  
in respect of **INSURING CLAUSE 5**, caused:
  - a) directly or indirectly by a windstorm which is given a name by the National Hurricane Center, Miami, FL, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
  - b) by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for a

windstorm which is given a name by the National Hurricane Center, Miami, FL. But if the windstorm results in a cause of **loss** or **damage** other than rain, snow, sand or dust, and that resulting cause of **loss** or **damage** is not otherwise excluded under this Policy, we will pay for that **loss** or **damage**. For example, if the windstorm damages a heating system and fire results, the **loss** or **damage** attributable to the fire is covered subject to any other applicable policy provisions.

**57. Nuclear**

arising directly or indirectly from or contributed to by:

- a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

**58. Personal liability**

made against:

- a) any past, present or future **senior executive officer** or **employee** of the company named as the Insured in the Declarations or any **subsidiary**; or
- b) any past, present or future officers, committees and members of **your** canteen, social, sports, medical, fire fighting, security services and welfare organizations, unless:
  - i) that **claim** would have been covered under this Policy if it had been made solely against the company named as the Insured in the Declarations or any **subsidiary**; and
  - ii) the act or event which gave rise to the **claim** was committed by a **senior executive officer** or **employee** acting within the scope of their duties as a **senior executive officer** or **employee** including **corporate blogging**, when the act or event was committed.

**59. Pollution**

arising directly or indirectly out of **pollution**.

However, this **EXCLUSION** shall not apply in respect of:

- a) **INSURING CLAUSE 6, SECTION C** only; or
- b) premises leased to, hired by, on loan to or held in trust by **you** or otherwise in **your** care, custody or control in respect of:
  - i) **bodily injury** caused by smoke, fumes, vapor or soot from equipment used to heat the building; or
  - ii) **bodily injury** or **damage** arising out of heat, smoke or fumes from a **hostile fire**. For the purpose of this **EXCLUSION** a **hostile fire** means one which becomes uncontrollable or breaks out from where it was intended to be; or
  - iii) **INSURING CLAUSE 5** to the backing up of sewers, sumps, septic tanks or drains.

**60. Punitive damages**

for punitive or exemplary damages, unless insurable under the applicable law.

**61. RICO**

for any actual or alleged violations of the Racketeer Influenced and Corrupt Organization Act 18 USC Sections 1961 et seq and any amendments thereto, or any rules and regulations promulgated thereunder.

**62. SEC**

for any actual or alleged violation of any of the provisions of the Securities Act of 1933, the Securities Exchange Act 1934 or any similar regional, provincial, territorial, federal or state law or any common law relating thereto.

**63. Toxic Mold / Fungus**

arising directly or indirectly from any loss, **bodily injury**, **damage**, costs or expenses, including, but not limited to, losses, **damage**, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly

or indirectly, in whole or in part, by:

- a) any **fungus**, **mold**, mildew or yeast; or
- b) any **spore** or toxins created or produced by or emanating from such **fungus**, **mold**, mildew or yeast; or
- c) any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any **fungus**, **mold**, mildew or yeast; or
- d) any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures, or acts as a medium for any **fungus**, **mold**, mildew yeast, or **spore** or toxins emanating therefrom;

regardless of any other cause, event, material, product or building component that contributed concurrently or in any sequence to that loss, **bodily injury**, **damage**, cost or expense.

For the purposes of this **EXCLUSION** the following definitions are added to the Policy:

**Fungus** includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including **moulds**, **rusts**, **mildews**, **smuts** and **mushrooms**.

**Mold** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and **fungi** that produced molds.

**Spore** means any dormant or reproductive body produced by or arising from or emanating out of any **fungus**, **mold**, mildew, plants, organisms or microorganisms.

**64. Trade debt**

arising out of or in connection with any trading losses or trading liabilities incurred by any business managed or carried on by **you**, or any loss of **your** profit arising from the loss of any **client**, account or business.

**65. War and terrorism**

directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the **claim**, **loss**, **damage**, **costs** and **expenses** or **medical expenses**:

- a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b) any **act of terrorism**.

For the purpose of this **EXCLUSION** an **act of terrorism** means an act, including but not limited to the use of force or violence or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.

This **EXCLUSION** also excludes **claims**, **losses**, **damage**, **costs** and **expenses** or **medical expenses** of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to a) or b) above.

This **EXCLUSION** does not apply to any **claim** or **loss** arising directly from a **hacking attack** or **virus**.

## CONDITIONS

### 1. What you must do in the event of a claim or loss

Should a **senior executive officer** become aware of any **claim, loss or damage** the following obligations must be complied with by you:

- a) You must not admit liability for or settle or make or promise any payment in respect of any **claim, loss or damage** which may be covered under this Policy. Neither must you incur any costs or expenses in connection with such a **claim, loss or damage** without our written consent.

However, you should arrange for any urgent repairs following **damage** covered under **INSURING CLAUSE 5, SECTION A** to be done immediately. Before any other repair work begins we have the right to inspect your **damaged** property. We will notify you if we intend to do this.

- b) The Claims Managers, as specified in the Declarations, must be notified as soon as is reasonably possible if during the **period of the policy**:

- i) you suffer any **loss or damage** that could be covered by this Policy or a **senior executive officer** becomes aware that a **claim** has been made against you, whether verbal or made in writing; or
- ii) a **senior executive officer** discovers reasonable cause for suspicion of fraud or dishonesty whether this could give rise to a **claim** under this Policy or not and we shall not be liable under this Policy for any **claim or loss** sustained in consequence of any fraudulent or dishonest act or omission committed after the date of such discovery.

We have nominated Claims Managers to accept notice on our behalf. Due to the nature of the coverage offered by this Policy, any unreasonable delay by you in notifying the Claims Managers of (i), or (ii) above could lead to the size of the **claim, loss or damage** increasing or to our rights being restricted. We shall not be liable for that portion of any **claim** that is due to any unreasonable delay in you notifying the Claims Managers of any **claim, loss or damage** in accordance with this clause.

- c) We will expect you to provide us with full and accurate information about any matter that you notify to us under your obligations set out above. Once notice has been made you must give the Claims Managers all the assistance and information that is reasonably required. You must follow their advice and do anything that they reasonably require you to do to avoid, minimize, settle or defend any **claim, loss or damage**.

If you think a crime has been committed you must report it to the appropriate law enforcement authorities. You must also permit the Claims Managers and any other parties that are appointed by the Claims Managers to notify the appropriate law enforcement authorities of any **claim, loss or damage** where this action is deemed necessary, and you must comply with the advice given by such authorities.

If any of your **computer systems** are lost or stolen while they are temporarily removed from your **premises**, we will not make any payment unless you report the **loss** to the police within 48 hours after you become aware of it.

### 2. What you must do in the event of a circumstance which may give rise to a claim

Should a **senior executive officer** become aware of:

- a) a situation that could give rise to a **claim**; or
- b) an allegation or complaint made or intimated against you;

then you have the option of whether to report this circumstance to us or not. However, if you choose not to report this circumstance we shall not be liable for that portion of any **claim** that is greater than it would have been had you reported this circumstance.

If you choose to report this circumstance, you must do so within the **period of the policy**, or the period of any applicable Extended Reporting Period, for it to be considered under this Policy and we

will require you to provide full details of the circumstance, including but not limited to:

- a) the time, place and nature of the circumstance; and
- b) the manner in which you first became aware of this circumstance; and
- c) the reasons why you believe that this circumstance is likely to result in a **claim**; and
- d) the identity of the potential claimant; and
- e) an indication as to the size of the **claim** that could result from this circumstance.

Based on these details we will decide whether to accept this circumstance as one which could reasonably be expected to give rise to a **claim**. If we accept this circumstance, we will regard any subsequent **claim** that may arise as notified under this Policy.

### 3. Continuous cover

If you have neglected, through error or oversight only, to report a **claim** made against you during the period of a previous renewal of this Policy issued to you by us, then provided that you have maintained uninterrupted insurance of the same type with us since the expiry of that earlier Policy, then, notwithstanding **EXCLUSION 20**, we will permit the matter to be reported under this Policy and will indemnify you, provided that:

- a) the indemnity will be subject to the applicable **aggregate limit of liability** or **limit of liability** of the earlier Policy under which the matter should have been reported or the **aggregate limit of liability** or **limit of liability** of the current Policy, whichever is the lower;
- b) we may reduce the indemnity entitlement by the monetary equivalent of any prejudice which has been suffered as a result of the delayed notification;
- c) the indemnity will be subject to all of the terms, **CONDITIONS, DEFINITIONS** and **EXCLUSIONS**, other than the **aggregate limit of liability** or **limit of liability**, contained in this current Policy.

### 4. Fraudulent claims

If you notify us of any claim knowing that claim to be false or fraudulent in any way, we shall have no responsibility to pay that claim or any other claims under this insurance and the Policy will be treated as if it had not been effected.

### 5. Agreement to pay claims

We have the right and duty to take control of and conduct in your name the investigation settlement or defense of any **claim**. We shall also pay on your behalf **costs and expenses** incurred with our prior written consent (subject to the Limits of Liability shown in the Declarations) provided that we shall not pay for the **costs and expenses** of any part of a **claim** that is not covered by this Policy. Our payment of **costs and expenses** shall not be prejudiced by your refusal to reveal the identity of a confidential, newsgathering source.

We shall always endeavor to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and shall pay on your behalf the amount so agreed by us and the claimant. If we cannot settle by such means, we shall pay the amount which you are found liable to pay either in court or through arbitration proceedings, subject always to the Limit of Liability shown in the Declarations.

If you refuse to consent to a settlement that we recommend and that the claimant will accept, then you must then defend, investigate or settle the **claim** at your own expense. As a consequence of your refusal, our liability for any **claim** shall not be more than the amount that we could have settled the **claim** had you consented, plus any **costs and expenses** incurred prior to the date of such refusal.

### 6. Innocent non-disclosure

We will not seek to avoid the Policy or reject any **claim** on the grounds of non-disclosure or misrepresentation except where the non-disclosure or misrepresentation was reckless or fraudulent or your **senior executive officers** failed to conduct a full inquiry prior

to providing the information that forms the basis of this insurance. In the event that we seek to avoid the Policy or reject any claim on this basis the burden of proving otherwise rests solely with you.

**7. Your duty to advise us of changes**

If a senior executive officer becomes aware that any of the information that you have given us in the Application Form or elsewhere in connection with your application for this insurance has materially changed then you must advise us as soon as is practicable. In this event, we reserve the right to amend the terms, conditions or premium of the Policy.

**8. Risk management conditions**

If we attach any additional conditions to your Policy regarding any risk survey or risk management timetable or any other similar conditions then it is your responsibility to ensure that these conditions are complied with by the deadlines shown in the conditions.

**9. Our rights of recovery**

If any payment is made under this Policy in respect of a claim, loss or damage and there is available to us any of your rights of recovery against any other party then we maintain all such rights of recovery. We shall not exercise these rights against any senior executive officer or employee unless such payment is in respect of any wilful, malicious or dishonest acts or omissions.

You must do nothing to impair any rights of recovery. At our request you will bring proceedings or transfer those rights to us and help us to enforce them. Any recoveries shall be applied as follows:

- a) first, to us up to the amount of our payment on your behalf including costs and expenses;
- b) then to you as recovery of your Deductible or other amounts paid as compensation or costs and expenses.

**10. Waiver of subrogation**

Notwithstanding **CONDITION 9** above we agree to waive our rights of subrogation against a responsible third party client of yours but only if you and your client have entered into a contract that contains a provision requiring us to do this.

**11. Cancellation**

This Policy may be cancelled:

- a) by you at any time on request; or
- b) by us if we give you 30 days written notice; or
- c) by us if we give you 15 days written notice, should any amount in default not be paid within 15 days of the due date shown in the Debit Note that accompanies this Policy.

If you give us notice of cancellation in accordance with a) above, the earned Premium shall be pro rata to the number of days that the Policy is in effect subject to a minimum amount of 30% of the Premium.

If we give you notice of cancellation in accordance with b) or c) above, the earned Premium shall be pro rata to the number of days that the Policy is in effect.

The Policy Administration Fee shall be deemed fully earned at the Inception Date of this Policy.

**12. Additional insureds**

We shall indemnify any third party as an additional Insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a claim arising solely out of a wrongful act committed by you or arising solely out of accidental bodily injury or damage caused by you, provided that:

- a) you contracted in writing to indemnify the third party for such a claim prior to it first being made against them; and
- b) had the claim been made against you, then you would be entitled to indemnity under this Policy.

As a condition to our indemnification of any additional Insured:

- i) they shall prove to our satisfaction that the claim arose solely out of a wrongful act committed by you or arose solely out of accidental bodily injury or damage caused by you; and
- ii) they shall fully comply with **CONDITION 1(a)** above as if they were you.

Where a third party is indemnified as an additional Insured as a result of this **CONDITION**, it is understood and agreed that any claim made by that third party against you shall be treated by us as if they were a third party, not an additional Insured.

**13. Prior subsidiaries**

In respect of **INSURING CLAUSES 1, 2, 3 and 4 (SECTIONS A and B only)**, should an entity cease to be a subsidiary after the Inception Date of this Policy, cover in respect of such entity shall continue as if it was still a subsidiary, until the termination of this Policy, but only in respect of any claim or loss that arises out of any wrongful act committed by that entity prior to the date that it ceased to be a subsidiary.

**14. Mergers and acquisitions**

During the period of the policy, if the company named as the Insured in the Declarations or any subsidiary:

- a) purchases assets or acquires liabilities from another entity in an amount greater than 10% of the assets of the company named as the Insured in the Declarations as listed in its most recent financial statement; or
- b) acquires another entity whose annual revenues are more than 10% of the annual revenues of the company named as the Insured in the Declarations for their last completed financial year;

then you shall have no coverage under this Policy for any claim, loss or damage that arises directly or indirectly out of the purchased or acquired entity unless the company named as the Insured in the Declarations gives us written notice prior to the purchase or acquisition, obtains our written consent to extend coverage to such additional entities, assets or exposures, and agrees to pay any additional premium required by us.

If during the period of the policy the company named as the Insured in the Declarations consolidates or merges with or is acquired by another entity, then all coverage under this Policy shall terminate at the date of the consolidation, merger or acquisition unless we have issued an endorsement extending coverage under this Policy, and the company named as the Insured in the Declarations has agreed to any additional premium and terms of coverage required by us.

**15. Extended reporting period**

In respect of **INSURING CLAUSES 1, 2, 3, 4, SECTIONS A and B only and 6, SECTION H only**, an Extended Reporting Period of 60 days following the Expiry Date as shown in the Declarations shall be automatically granted hereunder at no additional premium. Such Extended Reporting Period shall cover claims first made against you during the period of the policy and notified to us during this 60 day Extended Reporting Period but only in respect of any act, error or omission committed prior to the Expiry Date shown in the Declarations, and subject to all other terms, conditions and exclusions of the Policy. No claim shall be accepted by us in this 60 day Extended Reporting Period if you are entitled to indemnity under any other insurance, or would have been entitled to indemnity under such insurance but for the exhaustion thereof.

**16. Optional extended reporting period**

In respect of **INSURING CLAUSES 1, 2, 3, 4 (SECTIONS A and B only) and 6 (SECTION H) only**, in the event of:

- a) cancellation or non-renewal of this Policy by us; or
- b) cancellation or non-renewal of this Policy by you because you have ceased to trade as the direct result of the retirement or death of all of your senior executive officers;

then you shall have the right, upon payment of the Optional Extended Reporting Period Premium shown in the Declarations in full and not proportionally or otherwise in part, to have issued an endorsement providing a 365 day Optional Extended Reporting Period from the cancellation or non-renewal date. Such Optional Extended Reporting Period shall cover claims first made against you and notified to us during this Optional Extended Reporting Period but only in respect of any claim arising out of any act, error or omission committed prior to the date of cancellation or non-renewal, and subject to all other terms, conditions and exclusions of the Policy.

In order for **you** to invoke the Optional Extended Reporting Period option, the payment of the Optional Extended Reporting Period Premium shown in the Declarations for this Optional Extended Reporting Period must be paid to **us** within 15 days of the date of the non-renewal or cancellation.

At the commencement of this Optional Extended Reporting Period the entire premium shall be deemed earned and in the event that **you** terminate the Optional Extended Reporting Period for any reason prior to its natural expiration, **we** will not be liable to return any premium paid.

The right to the Extended Reporting Period or the Optional Extended Reporting Period shall not be available to **you** where:

- a) cancellation or non-renewal by **us** is due to non-payment of premium; or
- b) cancellation or non-renewal by **us** is due to **your** failure to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Deductible as is required by this Policy in the payment of claims.

At the renewal of this Policy, **our** quotation of different premium, Deductible or Limit of Liability or changes in policy language shall not constitute non-renewal by **us** for the purposes of granting this Optional Extended Reporting Period.

In no event shall the granting of the Extended Reporting Period or the Optional Extended Reporting Period increase **our** Limit of Liability, including **costs and expenses**, as shown in the Declarations.

**17. Choice of law, legal action and service of suit**

In the event of a dispute between **you** and **us** regarding this Policy, the same shall be governed by the laws of the State of the United States of America shown in the Choice of Law section of the Declarations. **We** agree, at **your** request, to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America.

Nothing in this **CONDITION** constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any Court of competent jurisdiction in the United States of America, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States of America or the laws of any State of the United States of America.

It is further agreed that service of process in such suit may be made upon the law firm shown in the Declarations and that in any suit instituted against **us**, **we** will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. The law firm shown in the Declarations is authorized and directed to accept service of process on **our** behalf in any such suit and, at **your** request, to give a written undertaking to **you** that they will enter a general appearance on **our** behalf in the event such a suit is instituted.

Additionally, in accordance with the statute of any state, territory or district of the United States which makes such a provision, **we** hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as **our** true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by **you** arising out of this Policy. The law firm shown in the Declarations is hereby designated as the firm to whom the above mentioned officer is authorized to mail such process or a copy thereof.

# MEDIA



## INSURANCE FOR MEDIA COMPANIES



CFC Underwriting Limited  
85 Gracechurch Street  
London EC3V 0AA  
United Kingdom  
T: +44 (0) 207 220 8500  
F: +44 (0) 207 220 8501  
E: [enquiries@cfcunderwriting.com](mailto:enquiries@cfcunderwriting.com)  
W: [www.cfcunderwriting.com](http://www.cfcunderwriting.com)

## SURPLUS LINES TAX FILING NOTICE

POLICY NUMBER: ESK0038376919  
THE INSURED: Townie Media  
INCEPTION DATE: 27 Jan 2022

## SURPLUS LINES BROKER

Chris Brown / Brown & Riding Insurance Services  
Chris Brown / Brown & Riding Insurance Services  
License number 0592033  
777 S. Figueroa St. Suite 2550  
Los Angeles,  
CA 90017

## INFORMATION FOR BROKERS

For Surplus Lines Taxes filing purposes, stated below is the premium allocated to the insuring clauses purchased and the mix of insurers providing the security.

## CONTRACT NUMBERS AND CORRESPONDING LIST OF INSURED

Coverage: Cyber, Privacy and Media, Professional indemnity E&O  
Premium: USD2500.00  
UMR: B087521C9N5051, of which the insurers are:

### Lloyd's syndicates:

|                                      |            |           |
|--------------------------------------|------------|-----------|
| One Lime Street, London EC3M 7HA, UK |            |           |
| AFB 3623                             | 3.240000%  | USD81.00  |
| CGM 2488                             | 13.500000% | USD337.50 |
| ASP 4711                             | 8.000000%  | USD200.00 |
| AMA 1200                             | 7.500000%  | USD187.50 |
| MKL 3000                             | 3.500000%  | USD87.50  |
| ARG 2121                             | 2.000000%  | USD50.00  |
| EVE 2786                             | 1.500000%  | USD37.50  |
| CFC 1988                             | 18.500000% | USD462.50 |
| AXS 1686                             | 1.000000%  | USD25.00  |
| AES 1225                             | 1.185000%  | USD29.62  |
| LRE 3010                             | 0.075000%  | USD1.88   |

### Other insurers:

|                          |            |           |  |
|--------------------------|------------|-----------|--|
| Axis Specialty Europe SE | 19.000000% | USD475.00 | Herbert Court, Mount Street Upper,<br>Dublin, IE |
| Zurich Insurance Plc     | 13.500000% | USD337.50 | Zurich House, Ballsbridge Park,<br>Dublin, 4, IE |

|                          |           |           |  |
|--------------------------|-----------|-----------|--|
| HDI Global Speciality SE | 7.500000% | USD187.50 | Podbielskistraße 396, Hannover,<br>30659, DE |
|--------------------------|-----------|-----------|--|

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|           |  |
|-----------|--|
| Coverage: | General liability                          |
| Premium:  | USD750.00                                  |
| UMR:      | B087521C9N5053, of which the insurers are: |

Lloyd's syndicates:

|                                      |            |           |
|--------------------------------------|------------|-----------|
| One Lime Street, London EC3M 7HA, UK |            |           |
| CGM 2488                             | 20.000000% | USD150.00 |
| AMA 1200                             | 10.000000% | USD75.00  |
| ASP 4711                             | 10.000000% | USD75.00  |
| EVE 2786                             | 5.000000%  | USD37.50  |
| MKL 3000                             | 5.000000%  | USD37.50  |
| ARG 2121                             | 2.500000%  | USD18.75  |
| CFC 1988                             | 20.000000% | USD150.00 |
| AXS 1686                             | 7.500000%  | USD56.25  |

Other insurers:

|                      |            |           |  |
|----------------------|------------|-----------|--|
| Zurich Insurance Plc | 20.000000% | USD150.00 | Zurich House, Ballsbridge Park,<br>Dublin, 4, IE |
|----------------------|------------|-----------|--|