

Contents

Coverages	1
Additional Coverages	1
Exclusions from cover	2
Limit of Insurance	3
Retention	3
Insured Incident Requirements	4
General Conditions	5
Definitions	10

Beazley Claims Service

Delivering great claims services is one of Beazley's top priorities. Our Claims Service Standards highlight what our stakeholders can expect when working with our Claims Team – expertise, responsiveness, partnership, fairness, and accountability. Please visit www.beazley.com to read more about our Claims Service Standards under Our Approach to Claims.

NOTICE: PLEASE REVIEW THE COVERAGE PROVIDED UNDER THIS POLICY CAREFULLY AND DISCUSS WITH YOUR INSURANCE AGENT OR BROKER.

The **insurance company** agrees with the **named insured** in consideration of the payment of, or agreement to pay, the premium and subject to all the provisions of this Policy:

Coverages

Manufacturing Risk for Consumable Products

To reimburse the **insured** for any **loss** arising out of a:

- (a) **supply chain error**; or
- (b) **processing or production error**; or
- (c) **distribution error**

that would cause an **adulteration** in an **impacted product** or **packaging defect** which is first discovered by the **insured** during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy.

Response Services

To pay any **response services** resulting from a potential, suspected or actual **insured incident**, which is first discovered by the **insured** during the **policy period** and reported to the insurance company pursuant to the Insured Incident Requirements section of this Policy.

Additional Coverages

Regulatory Proceeding

To reimburse the **insured** for any **penalties** which the **insured** is legally liable to pay because of a **regulatory proceeding** resulting from an **insured incident** (but not a **cyber incident**) first made against the **insured** during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy).

Adverse Publicity

To reimburse the **insured** for any **loss** caused by any **adverse publicity** which is first discovered during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy.

Product Tampering

To reimburse the **insured** for any **loss** caused by any **product tampering** which is first discovered by the **insured** during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy.

Product Extortion

To reimburse the **insured** for any **extortion money** caused by any **product extortion** which is first discovered by the **insured** during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy.

Agency Advisory

To reimburse the **insured** for any **loss** caused by any **agency advisory** which is first discovered by the **insured** during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy.

Cyber Incident

To reimburse the **insured** for any **loss** caused by a **cyber incident** which is first discovered by the **insured** during the **policy period** and reported to the **insurance company** pursuant to the Insured Incident Requirements section of this Policy.

Exclusions from cover

This Insurance Policy does not apply to any **loss, penalties or response services**:

Asbestos

arising out of, based upon or attributable to asbestos or any materials containing asbestos in whatever form or quantity.

Carcinogen

arising out of, based upon or attributable to any carcinogen.

Criminal, Dishonest, Fraudulent and Malicious Acts and Omissions

arising out of, based upon or attributable to any criminal, dishonest, fraudulent or malicious act or omission, or intentional or knowing violation of the law, if committed by any **responsible person** or by others if any **responsible person** was aware of such conduct or activity.

Criminal Fines and Punitive Damages

which constitutes criminal fines or criminal penalties, punitive or exemplary damages imposed by third parties, courts or governmental organizations or agencies.

Insured against Insured

arising out of, based upon or attributable to any **claim** brought by or on behalf of any **insured** against any other **insured**.

Liability for Bodily Injury and Property Damage

attributable to or consisting of liability to any third party, including without limitation any consumer of an **impacted product**, for **bodily injury or property damage**.

Natural Deterioration or Decomposition

arising out of, based upon or attributable to the natural deterioration or decomposition of any **insured's product** having passed its specified or reasonably expected expiration date for use or consumption.

Nuclear, Radiation

arising out of, based upon or attributable to any ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radiological, electromagnetic or nuclear irritant or contaminant.

Pre-existing Conditions

arising out of, based upon or attributable to any pre-existing condition, circumstance or situation of which any **responsible person** was aware prior to the inception of this Policy, and which had caused or could reasonably have been expected to cause, lead to or result in an **insured incident**.

Responsible Person's Knowledge

arising out of, based upon or attributable to an **insured incident** that occurs after any **responsible person** has knowledge of:

- (a) a **supply chain error, processing or production error, or distribution error**; or
- (b) circumstances which could give rise to an **adulteration of an impacted product or packaging defect**; or
- (c) a violation of any governmental law or regulation; or
- (d) use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity or authority in the jurisdiction the **impacted product** is intended to be sold.

and fails to take reasonable corrective action regarding such defect, deviation, violation or circumstances.

War and Terrorism

arising out of, based upon or attributable to, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority or any act of terrorism.

Limit of Insurance

The Limit of Insurance specified under this Policy is specified in the Declarations for “each insured incident” is the maximum amount payable by the **insurance company** for all **loss, penalties or response services**, except for part (a) of the definition of **response services** (*crisis consulting costs*), in excess of the Retention, arising from each **insured incident**.

The Limit of Insurance specified under this Policy as “in the aggregate” is the maximum amount payable by the **insurance company** for all **loss, penalties or response services** except for part (a) of the definition of **response services** (*crisis consulting costs*), in excess of the Retention.

Any **loss, penalties or response services** except the costs at part (a) *crisis consulting costs* of **response services**, payable by the **insurance company** will reduce the Limit of Insurance and may exhaust it.

Where any Sub-Limit of Insurance is specified in this Policy or the Declarations, the **insurance company** will have no liability in excess of such Sub-Limit of Insurance. Any Sub-Limit of Insurance will be part of, and not in addition to, the Limit of Insurance.

There will be no obligation to pay any **loss, penalties or response services** after the Limit of Insurance has been exhausted, or after deposit of the Limit of Insurance in a court of competent jurisdiction.

Crisis Consulting costs, part (a) of the definition of **response services**, are in addition to and not subject to the Limits of Insurance.

Retention

This Policy applies only to **loss, penalties or response services** in excess of the Retention specified in the Declarations, which will apply separately to each and every **insured incident**. If more than one Coverage or Additional Coverage is triggered only one Retention is payable.

The costs referred to at paragraphs (a) *crisis consulting services* and (b) *investigation services* in the definition of **response services** and **extortion money** are not subject to a Retention.

Insured Incident Requirements

Notification of Insured Incidents

(a) As a condition precedent to coverage under this Policy, the **named insured** must give notice to the **insurance company** of any potential, suspected or actual **insured incident** as soon as practicable after any **responsible person** first discovers such **insured incident** but in no event later than 45 days after the end of the **policy period**.

Any notice must include:

- i. the reasons why the **named insured** reasonably anticipates that such fact or circumstance could give rise to an **insured incident**, and
- ii. particulars of the dates, location and nature of the potential, actual or suspected **insured incident**.

Any subsequent **insured incident** reported to the **insurance company** arising from any previously reported potential or suspected **insured incident** will be deemed as having been reported at the time of the earliest notification to the **insurance company** pursuant to this paragraph.

Notice of a Regulatory Proceeding

As a condition precedent to coverage under this Policy, the **named insured** must give notice to the **insurance company** of any **regulatory proceeding** as soon as practicable but it not event later than 45 days after the end of the **policy period**.

Notice to the Insurance Company

All notices to the **insurance company** must be sent either by e-mail to or by mail to the address specified in the Declarations.

Defense and Settlement of a Regulatory Proceeding

Coverage for a **regulatory proceeding** is provided on an indemnity basis and legal counsel will be mutually agreed by the **named insured** and the **insurance company**, in the absence of agreement, the **insurance company's** decision will be final.

Assistance and Cooperation

If any actual, potential or suspected **insured incident** or fact or circumstance is reported by the **named insured** under this Policy, the **insured** will give all information and assistance to the **insurance company** as it may need to investigate such matters. The **insured** will cooperate with the **insurance company** in responding to such **insured incident** or fact or circumstance. The **insured** agrees not to take any action which in any way increases the **insurance company's** exposure under this Policy.

Except where expressly provided for in this Policy, any costs to provide such information or assistance to the **insurance company** will be at the **insured's** own cost.

Other Insurance

The insurance under this Policy will apply in excess of any other valid and collectible insurance available to any **insured**, including any self-insured retention or deductible of such insurance. This provision will not apply where such other insurance is written only as specific excess insurance over this Policy.

Subrogation and Recoveries

If any payment is made under this Policy, the **insured** will transfer its rights of recovery against any third party to the **insurance company**. The **insured** will do whatever is reasonably necessary to secure and preserve such rights after a fact or circumstance giving rise to any **insured incident**.

Action against the Insurance Company

No action will lie against the **insurance company** unless and until the **insured** has fully complied with all the terms of this Policy and unless the action is started within 24 months after inception of the **insured incident**.

General Conditions

Calculation of Loss

(a) Written request for payment

In the event of any covered **loss, penalties** or **response services**, the **insured** must provide the **insurance company** with a written request for payment as soon as practicable.

This written demand must include:

- i. a computation of the **loss, penalties** or **response services** showing in detail how the **loss, penalties** or **response services** has been calculated and what assumptions have been made; and
- ii. any documentary evidence, including true copies of the **insured's** books of account, bills, invoices, vouchers and other relevant documents that the **insurance company** or its representatives (including forensic accountants) may require.

(b) Cooperation of the insured for the calculation of loss

The **insured** must cooperate and assist the **insurance company's** and its designates with their investigations, including reasonable access to any premises, personnel and documents the **insurance company** deems necessary for the purpose of the calculation of **loss, penalties** or **response services**.

(c) Determination of the amount by the insurance company

The **insurance company** will apply standard accounting principles as recognized by the relevant regulatory authorities in the **insured's** home jurisdiction. If the **insured** does business in more than one jurisdiction the relevant accounting principles to be applied will be those of the jurisdiction in which the **subsidiary**, division or other organizational unit that sustained the **loss, penalties** or **response services** is based.

Whether or not any partial payments have been made, the **insured** must submit to the **insurance company** a final written statement of **loss, penalties** or **response services** including all items of **loss, penalties** or **response services** as soon as practical or upon request after an **insured incident** becomes known to the **insured**.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notification of Insured Incidents section of this Policy.

Appraisal of a Covered Loss in the Event of Disagreement

In the event that the **insurance company** and the **insured** cannot agree on the monetary value of a covered **loss, penalties** or **response services** and the **insurance company** rejects the

insured's final statement of that **loss, penalties or response services**, the amount of that covered **loss, penalties or response services** will be submitted for an independent appraisal. The process is as follows:

(a) Written demand

A written demand for an independent appraisal must be made by either party within sixty (60) days of the **insurance company's** rejection;

(b) Selection of the appraiser

Once this demand has been made, each party shall select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand;

(c) Selection of the umpire

Within 15 days of designating the respective appraisers, the appraisers shall first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire, such umpire shall be selected by the then current President of the Chartered Institute of Loss Adjusters.

(d) Submission of the case by the parties and decision

After 30 days of the appointment of the umpire, both parties will submit their cases to the appraisers and the umpire. The appraisal panel will then make a decision on the amount of the covered **loss, penalties or response services** along with details and itemization of the elements of the **loss, penalties or response services**. The decision must be signed at least by two of the three panel members.

Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire's fees.

Currency

Limits of Insurance, premiums, other amounts as expressed in this Policy and **loss** payable under the Policy are in U.S. currency. If the **loss** paid by the **insurance company** has been calculated in a currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date the **insurance company** receives written notice of the **insured incident**. However, if it is subsequently determined that there was no **insured incident**, the exchange rate for *crisis consulting costs* under part (a) of the definition of **response services** will be based on the published wholesale exchange rate on the date the *crisis consulting costs* under part (a) of the definition of **response services** are first submitted to the **insurance company** in writing.

Salvage

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to the **insurance company's** benefit until the **insurance company** recovers all sums it has paid. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the **insured**, the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by the **insured**.

The **insured's** good will and public image will be considered in determining whether any **insured's product** should be involved in salvage recovery. The **insured** agrees not to unreasonably restrict our right to salvage. The **insured** will have full right to the possession of all goods involved in any

insured incident and will retain control of all damaged goods. The **insured** may not under any circumstances abandon any property to the **insurance company**.

Due Diligence

The **insured** agrees to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to any **insured incident** and to make all reasonable efforts to mitigate any **loss, penalties** or **response services** occurring as a result of any **insured incident**.

Mergers and Acquisitions

(a) In the event a **named insured** acquires another entity whose revenues do not exceed 10% of the total annual revenues of the **named insured** as specified in the **application**, then such acquired entity will be considered part of the **insured**, and this Policy will apply, from the date of such acquisition, for any **loss, penalties** or **response services** in any way involving such entity; or

(b) In the event the **named insured**:

- i. merges with another entity such that the **named insured** is the surviving entity; or
- ii. acquires another entity whose revenues exceed the percentage threshold specified in (a) above,

then this Policy will only apply for a period of sixty days, from the date of such merger or acquisition, for any **loss, penalties** or **response services** in any way involving such merged or acquired entity.

After sixty days, coverage will only be available under this Policy if:

- i. the **named insured** provides the **insurance company** with information in connection with such merger or acquisition as the **insurance company** requires; and
- ii. the **named insured** accepts any special terms, conditions, exclusions or additional premium charge as may be required by the **insurance company**.

(c) Coverage for such entity specified in (a) or (b) above will only apply to any **insured incident** first discovered after the date of such merger or acquisition.

Cancellation

(a) By the **named insured**

If the **named insured** has not reported any **insured incident** or facts or circumstances which may give rise to an **insured incident**, the **named insured** may cancel this Policy by giving the **insurance company** 30 days written notice. In such event the **insurance company** will give the **named insured** a pro-rata refund of the premium for the remaining portion of the **policy period** after the expiration of the notice period for cancellation.

(b) By the **insurance company**

The **insurance company** will have the right to cancel this Policy, with effect from inception, where permitted by law, if the premium has not been paid to the **insurance company** within 30 days of the inception of the **policy period**.

The **insurance company** will provide in writing 10 days' notice of cancellation to the **named insured** or via the **named insured's** insurance broker.

If the premium is paid in full to the **insurance company** before the 10 day notice period expires, notice of cancellation will automatically be revoked.

(c) Nonrenewal by the **insurance company**

If the **insurance company** decides not to renew this Policy, the **insurance company** will provide written notice to the **named insured** at least 60 days before the end of the **policy period**.

Authorization

The **named insured** will be considered the agent of all the **insureds**. This means that the **named insured**:

- (a) will act on behalf of all the **insureds** with respect to the giving of or receipt of all notices pertaining to this Policy, and
- (b) will accept any endorsements to this Policy, and
- (c) will be responsible for the payment of all premiums and Retentions and for receiving any return premiums.

Financial Interest Coverage

The **insurance company** will not provide cover for the **loss, penalties or response services** of a **foreign entity**. The **insurance company** will instead indemnify the **named insured** for its financial interest in such **foreign entity** by way of agreed valuation calculated as the amount of **loss, penalties or response services** which would have been payable to the **foreign entity** under this Policy. For the purpose of this provision the **named insured** will be deemed to have suffered **loss, penalties or response services** to its financial interest simultaneously with the **foreign entity** which incurred the **loss, penalties or response services** for which it would have been entitled to receive indemnity under this Policy.

Assignment

No **insured** may assign this Policy or any right under it without the prior written consent of the **insurance company**.

Headings

The titles of provisions or endorsements in this Policy are intended solely for convenience and reference. They are not deemed in any way to limit, expand or otherwise affect the provisions to which they relate.

Single Form of a Word

Whenever the singular form of a word is used in this Policy, the same word will include the plural when required by context.

Governing Law

This Policy will be governed by and construed in accordance with the laws of the state designated in the Declarations.

Service of Suit (U.S.A)

It is agreed that in the event of the failure of the **insurance company** to pay any amount claimed to be due under this Policy, the **insurance company**, at the request of the **insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of the **insurance company's** rights to commence an action in any court of competent jurisdiction in the United States, 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 or of any state in the United States. It is further agreed that service of process in such suit may be made upon the **insurance company's** representative, designated in the Declarations, and that in any suit instituted against any one of them upon this contract, the **insurance company** will abide by the final decision of such court or of any appellate court in the event of an appeal.

The **insurance company's** representative designated in the Declarations is authorized and directed to accept service of process on behalf of the **insurance company** in any such suit and/or upon the request of the **insured** to give a written undertaking to the **insured** that they will enter a general appearance upon the **insurance company's** behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the **insurance company** hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **insured** or any beneficiary hereunder arising out of this contract of Insurance, and hereby designate the **insurance company's** representative, designated in the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

Entire Agreement

By acceptance of the Policy, the **insured** agrees that this Policy embodies all agreements between the **insurance company** and the **insured** relating to this Policy. No change or modification to this Policy will be effective unless made by endorsement issued by the **insurance company**.

Representation by the Insured

The **insured** agrees that the statements contained in the **application** are true, accurate and are not misleading. The **insured** also agrees that the **insurance company** issued this Policy, and assume the risks hereunder, in reliance upon the truth of such **application**.

The Insurance Company's Consent

Where the **insured** is required under this Policy to seek the consent of the **insurance company**, the **insurance company** will not unreasonably withhold, delay or deny such consent.

Sanction Limitation

The **insurance company** will not be liable to provide any cover, benefit or pay any **loss, penalties** or **response services** under this Policy to the extent that the provision of such cover, benefit or payment of such **loss, penalties** or **response services** would expose the **insurance company** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the United States of America, Canada, European Union or United Kingdom.

Complaints

Every effort is made to ensure that a high standard of service is provided. However, if the **insured** is not satisfied with the service it has received or it has any questions or concerns about this Policy the **insured** should contact Beazley Complaints as indicated on the Insurance Company, Claims and Circumstance Notification and Complaints Information form.

Definitions

The following definitions are applicable to this Policy:

adulteration/adulterated means:

- a) biological or chemical contamination; or
- b) poisonous or deleterious substance; or
- c) pathogen; or
- d) allergen; or
- e) filth and foreign materials; or
- f) mold

in a manner that would cause **bodily injury** or **property damage**

adverse publicity means any widely disseminated publication, including any recall notification by the FDA, USDA, CDC or by any similar government, local or state agency authority of an implied **adulteration** or **packaging defect** specifically naming the **insured** and the **insured's product**.

agency advisory means any published written warning by the FDA, USDA, CDC or by any similar government, local or state agency or authority or the equivalent body in other jurisdiction outside the USA, not to consume or use an **insured's product** because of an **adulteration** of a product identical to such **insured's product**.

application means the completed and signed application for this Policy including any written materials submitted with the application, all of which will be deemed part of this Policy, as if physically attached.

bodily injury means physical injury (including death at any time resulting therefrom), sickness, or disease.

claim means:

- (a) a written demand for monetary damages or services;
- (b) a civil or administrative proceeding; or
- (c) an arbitration, mediation or other form of alternative dispute resolution proceeding arising out of any an **insured incident**.

computer systems means computers, any software residing on such computers and any associated devices or equipment:

- (a) operated by and either owned by or leased to the **insured**; or
- (b) operated by a third party pursuant to written contract with the **insured** and used for the purpose of providing hosted computer application services to the **insured** or for processing, maintaining, hosting or storing the **insured's** electronic data.

contract manufacturer means any third party that designs or manufactures the **insured product** on behalf of the **insured**.

customer means any party or parties to whom the **insured** has directly or indirectly provided, supplied or sold the **insured product**. **Customer** does not include a consumer who purchases the **insured's product** for personal use or consumption.

cyber incident means any **adulteration** in an **impacted product** or **packaging defect** caused by a **security breach**.

distribution error means an error or omission by the **insured** or a third party on the **insured's** behalf in the handling, storage, loading/unloading or transportation of the **insured product** whilst the **insured product** is in the **insured's**, or a third party on the **insured's** behalf, care, custody and control. For the purposes of this definition, third party does not include any **customer**.

extortion money means any monetary amount (including cash, monetary instruments, bullion or the fair market value of any securities, tangible property, or service) paid or provided by the **insured** as a direct result of a **product extortion**.

extra expense means the reasonable and necessary expenses incurred by the **insured**, over and above those expenses the **insured** would have incurred had no **insured incident** occurred, to minimize, mitigate, reduce or avoid **income loss** during the time of a slowdown, cessation or shut down of the **insured's** business operations resulting out of an **insured incident**.

foreign entity means any **subsidiary** which is located in a jurisdiction where the applicable law or regulation does not allow the **insurance company** to provide cover to that **subsidiary**.

impacted product means the **insured product** or any product in which the **insured product** has or would become part of or has been or would be incorporated.

income loss means the **insured's** sales revenue lost after the decrease in sales attributable to and caused directly by an **insured incident** less;

- (a) The costs of raw materials and all other costs that would have been incurred during the same period but which have been saved as a result of an **insured incident**; and
- (b) The amount of increased sales, if any, of any other product of the **insured** as a result of an **insured incident**.

insurance company means the entity specified in the Declarations.

insured means:

- (a) the **named insured**;
- (b) any **subsidiary**; and
- (c) any partnership or joint venture, which is a corporate entity, while the **named insured** has **management control**, or while the right to elect or otherwise appoint more than 50% of such entity's directors, trustees or other equivalent executive is owned or controlled by the **named insured** directly or indirectly.

insured incident means any **supply chain error**, **processing or production error** or **distribution error** that would cause an **adulteration** or **packaging defect** in an **impacted product** or any **product tampering**, **product extortion**, **cyber incident**, **agency advisory** or **adverse publicity** as covered under this Policy. All related, repeated or continuing **insured incidents** will be deemed a single **insured incident**.

insured's product means any topical or ingestible product for any use or consumption, including any of their ingredients, components, containers, or packaging, that:

- (a) is in production by the **insured**;

- (b) has been grown, manufactured, processed, treated, assembled, labelled, handled, packaged, stored, or distributed by the **insured** or by any **contract manufacturer** on behalf of the **insured** or;
- (c) is available for sale by the **insured** or is sold by, or on behalf of the **insured** by any distributor, wholesaler or retailer.

loss means any of the below:

- (a) *operating costs*
means the reasonable and necessary monetary amount the **insured** has sustained or incurred above the **insured's** normal operating costs to recover, withdraw, recall, restore, repair, replace, refund or reformulate the **insured's product** had no **insured incident** occurred;
- (b) *business loss*
means the actual **income loss** and **extra expense** the **insured** sustained solely and directly as a result of an **insured incident** as covered under this Policy;
- (c) *reputational damages*
means the reasonable and necessary advertising, marketing and public relations costs and expenses the **insured** has sustained or incurred above the **insureds** normal costs and expenses had no **insured incident** occurred;
- (d) *third party damages*
means:
 - i. reasonable compensatory damages, including costs, expenses, or loss of profit, that the **insured** becomes legally obligated to reimburse or pay its **customers** solely and directly in connection with a **claim** made by a **customer** against the **insured**; or
 - ii. reasonable legal fees, costs and expenses necessarily incurred by or on behalf of the **insured** in connection with the investigation, defence, settlement or appeal of a **claim** made by a **customer** against the **insured**.

third party damages will not include the salary of any employee of the **insured**, the cost of their time or any other costs or overhead of the **insured**;

- (e) **extortion money**.

management control means:

- (a) controls the composition of the board of directors;
- (b) controls more than half of the shareholder voting power; or
- (c) holds more than half of the issued share capital.

named insured means the entity specified in the Declarations.

packaging defect means an error or omission in the labelling or any of the packaging materials that hold or become part of the **insured product** that would cause **bodily injury** or **property damage**.

penalties means the civil fines or penalties payable to a regulatory, administrative, governmental organization or agency and only where such penalties are insurable by law.

policy period means the period specified in the Declarations.

processing or production error means an error or omission in the growing, mixing, blending, processing, production, treating, handling, labelling, storage and/or packing by the **insured** or any **contract manufacturer** on their behalf in relation to the **insured product**.

product extortion means any threat or related series of threats to commit a **product tampering** for the purpose of demanding **extortion money**.

product tampering means any intentional, malicious, or wrongful **adulteration** or **packaging defect** of the **insured product**.

property damage means:

(a) physical injury to; or

(b) destruction of;

tangible property other than the **insured's product**.

regulatory proceeding means a request for information, civil investigative demand or civil proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such regulatory or official capacity.

response services means any of the below services:

a) *crisis consulting costs*

means the reasonable and necessary fees and expenses incurred by the **insured** for advisory services provided by the **insurance company's** approved crisis consultants only to assist the **insured** in responding to any potential, suspected or actual **insured incident**.

b) *investigation costs*

means the reasonable and necessary fees, costs and expenses incurred by the **insured** for analysis, testing and/or physical examination necessary to determine whether an **insured incident** has occurred.

c) *forensic accounting services*

means reasonable and necessary fees and expenses incurred by the **insured** for a forensic accountant for the purpose of assisting the **insured** or the **insured's customer** with the presentation of **loss** to the **insurance company**.

d) *legal services*

means the reasonable and necessary fees and expenses incurred by the **insured** for legal advice by law firm to assist the **insured** in relation to a potential, suspected or actual **insured incident**.

e) *reputational management services*

means the reasonable and necessary fees and expenses incurred by the **insured** for a public relations firm to provide crisis communications, advertising, marketing, and public relations services in relation to a potential, suspected or actual **insured incident**.

The above services will be provided by services providers approved by the **insurance company** subject to the terms and conditions of this Policy. The service providers are to be appointed by the **insured**.

responsible person means any principal, partner, corporate officer, director, general counsel (or most senior legal counsel) or risk manager of the **insured** or any individual in a substantially similar position.

security breach means a failure of computer security to prevent:

- (a) **unauthorized access or use of computer systems**, including **unauthorized access or use** resulting from the theft of a password from a **computer system** or from any **insured**;
- (b) a denial of service attack affecting **computer systems**; or
- (c) infection of **computer systems** by malicious code or transmission of malicious code from **computer systems**.

subsidiary means any entity in which the **named insured** either directly or indirectly has or had **management control** on or before the inception date of this Policy. Coverage for such entity will only apply for any **insured incident** that occurred while the **named insured** had **management control** of such entity.

supply chain error means an error or omission by an **insured's** supplier of raw materials, ingredients, components, or packaging material for use or incorporation into the **insured product**.

unauthorized access or use means the gaining of access to or use of **computer systems** by an unauthorized person(s) or the use of **computer systems** in an unauthorized manner.