

Cyber Incident Response and Insurance

Policy

To be solid, insurance must be flexible.

Cyber Incident Response and Insurance

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Endorsements issued at inception are attached to the Schedule

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In consideration of the payment of the premium, or agreement to pay the premium, and subject to the terms of this Policy, the **Insurer** and the **Policyholder** agree as follows:

1. Insuring Clauses

Insuring Clause 1: Cyber Incident Response and Expenses

The **Insurer** shall pay on behalf of each **Insured**, **Immediate Incident Response Expenses**, **Crisis Management Expenses**, **System Damage and Rectification Costs** and **Privacy Notification Expenses**.

Insuring Clause 2: Privacy Regulatory Actions

The **Insurer** shall pay, on behalf of each **Insured**, **Legal Liability Loss** because of a **Privacy Regulatory Action** first made during the **Policy Period**.

Insuring Clause 3: Payment Card Industry (PCI) Loss

The **Insurer** shall pay, on behalf of each **Insured**, **Legal Liability Loss** on account of a **Payment Card Industry (PCI) Loss**.

Insuring Clause 4: Business Interruption

The **Insurer** shall pay on behalf of each **Insured**, **Business Income Loss** and **Recovery Expenses** as a result of a **Cyber Event** on an **Insured's System**

Insuring Clause 5: Contingent Business Interruption

The **Insurer** shall pay on behalf of each **Insured**, **Business Income Loss** and **Recovery Expenses** as a result of a **Contingent Business Interruption Event**.

Insuring Clause 6: Cyber Extortion Threat

The **Insurer** shall pay **Cyber Extortion Expenses**.

Insuring Clause 7: Cyber Crime and Crime Expenses

The **Insurer** shall pay, **Financial Loss** sustained by an **Insured Organisation**, and **Crime Expenses**, resulting from a **Cyber Crime** first **Discovered** during the **Policy Period**.

Insuring Clause 8: Cyber Liability (Privacy Liability and Network Security Liability)

The **Insurer** shall pay, on behalf of each **Insured**, **Legal Liability Loss** on account of a **Cyber Claim** first made during the **Policy Period**.

Insuring Clause 9: Media Liability

The **Insurer** shall pay, on behalf of each **Insured**, **Legal Liability Loss** on account of a **Media Claim** first made during the **Policy Period**.

Insuring Clause 10: Reward Expenses

The **Insurer** shall pay **Reward Expenses**.

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Insuring Clause 11: Court Attendance Costs

With regard to each **Claim, Legal Liability Loss** on account of which is covered by Insuring Clause 2, 8 or 9:

- (a) the **Insurer** shall, if a principal, partner, **Member**, director or **Employee** of an **Insured Organisation** attends a court or arbitration hearing as a witness, compensate for that person being so occupied, by paying £150 for each day on which that person attends as a witness;
- (b) the **Insurer** shall, if a principal, partner, **Member**, director or **Employee** of an **Insured Organisation** attends a court or arbitration hearing as observer, compensate the **Policyholder** by paying £150 per day for that person's attendance as an observer, but the **Insurer** will only pay for one observer per day.

Compensation provided for by this Insuring Clause is only payable where that attendance is in connection with defending, not prosecuting, a **Claim**, and the **Insurer** shall pay the costs to the **Policyholder**.

Definitions

In this Policy the word 'person(s)', wherever it appears, means legal or natural person(s) unless otherwise specified. When used in bold type in this Policy:

Act of Cyber Terrorism means any act, including force or violence, or the threat thereof expressly directed against the **Insured's System** by an individual or group(s) of individuals, whether acting alone, on behalf of or in connection with any organisation(s), to cause a **Cyber Event** for the purpose of furthering social, ideological, religious, economic or political objectives, intimidating or coercing a government or the civilian population thereof, or disrupting any segment of the economy.

Admission means:

- (a) a formal written admission;
- (b) an oral admission made in a court hearing, tribunal hearing, arbitration hearing or regulatory hearing; or
- (c) an oral admission made under oath, affirmation or similar process where law or regulation requires statements to be made truthfully.

Application means:

- (a) all proposal forms, cyber security questionnaires, cyber security risk matrices and other documents provided to the **Insurer** by or on behalf of the **Policyholder** or any other **Insured**, or to which the **Insurer** was referred by or on behalf of the **Policyholder** or any other **Insured**, in the process of applying for this Policy; and
- (b) all representations to the **Insurer** by or on behalf of the **Policyholder** or any other **Insured**, in the process of applying for this Policy.

Business Income Loss means:

- (a) lost net profit that would have been earned during a **Recovery Period** before taxes on income; and
- (b) continuing normal operating and payroll expenses incurred,

by an **Insured Organisation** during the **Recovery Period** as a direct result of an actual impairment of or interruption to **Operations** which commences during the **Policy Period** and results from a **Cyber Event** which is first **Discovered** during the **Policy Period**.

Business Income Loss does not include lost or unearned bank interest or investment income.

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Claim means:

- (a) for the purposes of Insuring Clause 2, a **Privacy Regulatory Action**;
- (b) for the purposes of Insuring Clause 8, a **Cyber Claim**;
- (c) for the purposes of Insuring Clause 9, a **Media Claim**.

Computer means a device or group of devices that by manipulation of electronic, magnetic, optical or electromechanical impulses pursuant to a computer programme can perform operations on **Data**.

Computer Fraud means the theft of **Money, Securities or Merchandise** resulting from unauthorised access into a computer system and its facilities. **Computer Fraud** does not include **Social Engineering Fraud**, except as specified in, and covered under, (b) in the definition of **Social Engineering Fraud**.

Consumer Redress Funds means an amount:

- (a) which an **Insured** is, pursuant to a judgment in or settlement of a **Privacy Regulatory Action** first made during the **Policy Period**, legally and personally liable to pay into a fund for the payment of consumer claims; and
- (b) which is insurable under the jurisdiction most favourable to insurability to which the **Insurer** and the **Insured** incurring the liability, or the **Privacy Regulatory Action** giving rise to it, has a substantial relationship.

Contingent Business Interruption Event means a **Business Income Loss** by an **Insured Organisation** during the **Recovery Period** as a direct result of an actual impairment of or interruption to **Operations** which commences during the **Policy Period** and results from a **Cyberattack** on a **Third Party Service Provider's System**, which is first **Discovered** during the **Policy Period**.

Corporate Information means any **Third Party's** trade secrets, data, designs, forecasts, formulas, practices, processes, records, reports, documents subject to legal privilege or other item of information that is not available to the general public.

Court Attendance Costs means compensation provided for by Insuring Clause 11.

Crime Expenses means reasonable expenses, other than an **Insured Organisation's** internal corporate costs, incurred by an **Insured Organisation** with the **Insurer's** prior written consent to establish the existence and amount of any covered **Financial Loss**.

Crime Loss means **Financial Loss** and **Crime Expenses**.

Crisis Management Expenses means the reasonable and necessary cost of:

- (a) legal advice, including but not limited to:
 - (i) advice regarding liabilities and **Privacy Regulatory Actions**;
 - (ii) advice regarding notification requirements and assistance with drafting communications;
 - (iii) advice on data protection policies, working practices and in respect of rights of recovery against third parties.
- (b) information security services and forensic investigation, including but not limited to:
 - (i) identification to determine the cause and scope of the **Cyber Event** and immediate services to mitigate the impact;

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- (ii) network, computer, mobile phone and storage device examination;
 - (ii) risk analysis and assistance in the recovery of **Data**.
- (c) public relations consultancy services, including but not limited to:
 - (i) planning, implementing and maintaining a public relations strategy;
 - (ii) advising in relation to media response, including disseminating to and gathering information from the media;
 - (iii) advising and assisting the communications team of the **Insured**;
 - (iv) call centre activity and advertising.
- (d) consultancy services and advice for dealing with a **Cyber Extortion Threat**.

incurred by an **Insured Organisation** in direct connection with a **Cyber Event** which is first **Discovered** during the **Policy Period**.

Customer means a person who:

- (a) is applying for, or requesting, an **Insured Organisation's** products or services;
- (b) has applied for, or requested, an **Insured Organisation's** products or services; or
- (c) is using, or has used, an **Insured Organisation's** products or services.

Cyberactivity means electronic display, electronic transmission or electronic dissemination of information through an **Insured's System**.

Cyberattack means transmission of fraudulent or unauthorised **Data** that is designed to modify, alter, damage, destroy, delete, record or transmit information within a **System** without authorisation, including **Data** that is self-replicating or self-propagating and is designed to contaminate other computer programmes or legitimate computer data, consume computer resources or in some way usurp the normal operation of an **Insured Organisations System** or the services provided by a **Third Party Service Provider**. **Cyberattack** includes, but is not limited to, Denial of Service Attack, an **Act of Cyber Terrorism**, Trojan Horse, Phishing Attack, Malware Infection, Ransomware, Cryptojacking or Hacking Attack.

Cyber Claim means:

- (a) a written demand for specific monetary compensation or specific non-pecuniary relief;
- (b) a civil proceeding including third party proceeding, counterclaim, arbitration proceeding or employment tribunal proceeding;
- (c) a criminal proceeding;
- (d) an extradition proceeding; or
- (e) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges,

but not a **Privacy Regulatory Action**, made against an **Insured**, alleging a **Cyber Wrongful Act**.

Cyber Crime means:

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- (a) **Funds Transfer Fraud** by a **Third Party**;
- (b) **Computer Fraud** by a **Third Party**;
- (c) **Social Engineering Fraud**; or
- (d) **Remote Access Fraud**.

Cyber Event means an actual or potential unauthorised access to an **Insured's Organisations System**, a **Cyber Extortion Threat**, a **Cyber Wrongful Act** or a **Cyberattack**.

Cyber Extortion Expenses means an **Insured Organisation's**:

- (a) funds or property surrendered by it; and
- (b) funds or property which are intended as ransom and which are destroyed, disappears, are confiscated or are criminally taken while in the custody of a person authorised by it;

incurred with the **Insurers** prior written consent in direct connection with a **Cyber Extortion Threat** which commences during the **Policy Period**.

Cyber Extortion Threat means a credible threat made directly against an **Insured Organisation** to:

- (a) cause an **Insured Organisation** to transfer, pay or deliver funds or property using an **Insured's System**;
- (b) sell or disclose a **Record** to another person;
- (c) alter, damage or destroy an **Insured Organisation's Data** while stored in an **Insured's System**;
- (d) alter, damage or destroy an **Insured Organisation's Data** through a **Cyberattack** on an **Insured's System**; or
- (e) impair or interrupt an **Insured Organisation's Services**,

where that person has obtained, or claims to have obtained, access to an **Insured's System** and is demanding payment in exchange for the mitigation or removal of such threat.

Cyber Wrongful Act means a **Privacy Wrongful Act** or **Network Security Wrongful Act**.

Data means a representation of information, knowledge, facts, concepts or instructions which are being processed, or have been processed, in a **Computer**.

Defence Costs means that part of **Legal Liability Loss** consisting of reasonable costs, expenses, charges and fees (including, but not limited to, lawyers' fees and experts' fees) incurred in defending or investigating a **Claim** first made during the **Policy Period** (other than internal corporate costs and expenses) or in appealing against a judgment made in such a **Claim**. **Defence Costs** shall also include reasonable premium paid for insurance instruments or for bonds which are required in order to institute an appeal, but without any obligation to furnish or procure any instrument or bond.

Discovered means learnt of, and **Discovery** means the learning of, by a director, principal, partner, **Member**, IT Manager, Risk Manager or **Insurance Representative** of an **Insured Organisation**.

Employee means a natural person:

- (a) who:

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- (i) is in the regular service of an **Organisation** in the ordinary course of its business, whether temporary, permanent, full-time, part-time or seasonal;
 - (ii) is governed and directed by, and reporting directly to, an **Organisation** in the performance of such service; and
 - (iii) is compensated by an **Organisation** through salary, wages or commissions or is a volunteer, student, secondee or intern; or
- (b) who is a member of the board of directors, board of trustees or equivalent management board of an **Organisation**.

Event Loss means **Immediate Incident Response Expenses, Crisis Management Expenses, Privacy Notification Expenses, Business Income Loss, Recovery Expenses, Cyber Extortion Expenses, System Damage and Rectification Costs or Reward Expenses.**

Fake Person means a person purporting or claiming to be, or impersonating:

- (a) an **Employee** authorised to instruct other **Employees** to transfer, pay or deliver **Money, Securities or Merchandise**;
- (b) a **Vendor**; or
- (c) a **Customer**,

but who is not such **Employee, Vendor or Customer**.

Financial Loss means:

- (a) direct financial loss resulting from a **Cyber Crime** other than a **Remote Access Fraud**; and
- (b) **Telephone Fraud Loss**.

Funds Transfer Fraud means fraudulent written, electronic, telegraphic, cable, teletype, tested telex or telephone instructions issued to a financial institution directing such institution to transfer, pay or deliver **Money or Securities** from any account maintained by an **Insured Organisation** at such institution without an **Insured Organisation's** knowledge or consent. **Funds Transfer Fraud** does not include **Social Engineering Fraud**, except as specified in, and covered under, (b) in the definition of **Social Engineering Fraud**.

Human Error means an accidental disclosure or operating error committed by an **Employee**.

Immediate Incident Response Expenses means the costs, following a **Cyber Event**, associated with:

- (a) accessing a 24/7/365 incident response service;
- (b) immediate triage services for the **Insured**;
- (c) coordination and liaison with an **Insured** regarding the conduct of response;
- (d) immediate next steps and instruction of other service providers described in **Crisis Management Expenses**.

Insurance Representative means an employee designated to represent an **Insured Organisation** for the purpose of effecting and maintaining insurance.

Insured means a person who is an **Insured Organisation** or an **Insured Person**.

Insured's System means a **System** which is under the direct control of an **Insured**.

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Insured Organisation means an organisation which is the **Policyholder** or a **Subsidiary**.

Insured Person means a natural person who has been, now is, or shall become a director, principal, partner, **Member** or employee of an **Insured Organisation**, provided that such person shall only be covered under this Policy in respect of **Wrongful Acts** occurring while that person is such director, principal, partner, **Member** or employee.

Insurer means MPR Underwriting Ltd.

Intellectual Property means a certification mark, collective mark, service mark, trade mark, slogan, logo, symbol, title, copyright, design right, know-how, trade dress, style of doing business, likeness, name, expression, idea, patent, trade secret, confidential or proprietary information or any other intellectual property right.

Internet means a group of connected networks that allow access to an **Insured's System** through service providers using telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer media.

Legal Liability Loss means:

- (a) for the purposes of Insuring Clause 8, the amount which an **Insured** is legally liable to pay on account of a **Cyber Claim** first made during the **Policy Period** including:
 - (i) **Defence Costs**; and
 - (ii) awards of damages, including punitive, exemplary or aggravated damages, the multiple portion of any multiplied damages award, judgments, pre- and post- judgment interest, awards of claimant's costs and sums payable pursuant to any settlements;
- (b) for the purposes of Insuring Clause 2, **Defence Costs**, **Consumer Redress Funds** and **Privacy Regulatory Fines**;
- (c) for the purposes of Insuring Clause 3, **Defence Costs** and **Payment Card Industry (PCI) Loss**;
- (d) for the purposes of Insuring Clause 9, the amount which an **Insured** is legally liable to pay on account of a **Media Claim** first made during the **Policy Period** including:
 - (i) **Defence Costs**; and
 - (ii) awards of damages, including punitive, exemplary or aggravated damages, the multiple portion of any multiplied damages award, judgments, pre- and post- judgment interest, awards of claimant's costs and sums payable pursuant to any settlements.

Legal Liability Loss does not include:

- (i) matters uninsurable under English law;
- (ii) fines or penalties (other than **Consumer Redress Funds** or **Privacy Regulatory Fines** on account of a **Privacy Regulatory Action** or **Payment Card Industry (PCI) Loss**);
- (iii) taxes or damages reflecting taxes;
- (iv) costs or expenses of replacing, upgrading, improving or maintaining a **System** or damages reflecting such costs or expenses;
- (v) any return of fees, charges, commissions or other consideration paid to an **Insured** which the **Insured** has returned or must return;

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- (vi) costs or expenses incurred to perform any obligation assumed by, on behalf of or with the consent of any **Insured**;
- (vii) costs or expenses incurred by an **Insured** of compliance with any order for, or agreement to provide, injunctive or non-pecuniary relief; or
- (viii) **Liquidated Damages**;
- (ix) **Financial Loss**;
- (x) any disgorgement of unjust enrichment or profits; or
- (xi) any amounts which the **Insured** is not liable or for where this is no legal recourse against the **Insured**; or
- (xii) any **Pollution Costs**.

Liquidated Damages means a sum of money stipulated by a contract as the amount of damages for breach of that contract.

LLP means a limited liability partnership formed under the Limited Liability Partnerships Act 2000 or the Limited Liability Partnerships Act (Northern Ireland) 2002.

Media means an item or material, other than paper, on which **Data** can be stored so that it can be read, retrieved or processed by a **Computer**.

Media Claim means:

- (a) a written demand for specific monetary compensation or specific non-pecuniary relief;
- (b) a civil proceeding including third party proceeding, counterclaim, arbitration proceeding or employment tribunal proceeding;

but not a **Privacy Regulatory Action**, made against an **Insured**, alleging a **Media Wrongful Act**.

Media Wrongful Act means:

- (a) infringement or misappropriation of any **Intellectual Property** (other than a patent or trade secret or confidential or proprietary information);
- (b) libel, slander or any other form of defamation or disparagement (whether of person, products or services); or
- (c) intrusion upon, interference with or infringement of right to publicity, right to privacy, family life, a person's home or correspondence (including the torts of intrusion upon seclusion, false light and misappropriation of name or likeness and including breach of data protection legislation);

which results directly from an **Insured's Cyberactivity** which commences on or after the **Retroactive Date** and before the end of the **Policy Period**.

Member means a member of an **LLP**.

Merchandise means an **Insured Organisation's** inventory, raw materials, work in progress and any products manufactured or distributed by an **Insured Organisation**.

Money means currency, coin, bank notes, bullion or funds.

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Network Security Wrongful Act means:

- (a) impairment or denial of a **Customer's** authorised access to an **Insured's System** as a direct result of a **Cyber Event** which first occurs on or after the **Retroactive Date** and before the end of the **Policy Period**;
- (b) the transmission, on or after the **Retroactive Date** and before the end of the **Policy Period**, of a **Cyberattack** into an **Insured's System** which is simultaneously or later received into a **Third Party System**; or
- (c) unauthorised access, on or after the **Retroactive Date** and before the end of the **Policy Period**, to a **Third Party System** through an **Insured's System**,

resulting in that **Third Party System** being unusable or impaired.

Operations means an **Insured Organisation's** business activities.

Operative means identified in Item 4 of the Schedule as operative.

Payment Card Industry (PCI) Loss means monetary assessments, fines, penalties, reimbursements, and fraud recoveries which the **Insured** becomes legally obligated to pay as a result of a **Privacy Wrongful Act** or **Network Security Wrongful Act** and where such amount is due to the **Insured's** non-compliance with the Payment Card Industry Data Security Standard.

Payment Card Industry Loss (PCI) shall not include:

- (a) subsequent fines or monetary assessments for continued noncompliance with the Payment Card Industry Data Security Standard beyond a period of three months from the date of the initial fine or monetary assessment; or
- (b) costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures.

Personal Data means any information relating to an identified or identifiable natural person who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that person.

Personal Injury means bodily injury, mental illness or emotional distress (except emotional distress with respect to a **Privacy Wrongful Act** or **Media Wrongful Act**), sickness, disease or death of any natural person.

Policyholder means the organisation stated in Item 1 of the Schedule.

Policy Period means the period of time stated in Item 2 of the Schedule but subject to prior termination when cover terminates in accordance with Section 5.12 below. If this period is less than or greater than one year, then the Aggregate Limit of Liability for the **Policy Period** stated in Item 2 of the Schedule shall constitute the **Insurer's** maximum Limit of Liability for the entire period.

Policy Period Limit means the Limit of Liability for each **Policy Period** stated in Item 3 of the Schedule.

Pollutants means any substance exhibiting any characteristic hazardous to the environment or having an adverse impact on the environment, including, but not limited to, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, soil, chemicals and waste materials, air emissions, odour, waste water, oil, oil products, infectious or medical waste, asbestos, asbestos products and any noise.

Pollution means:

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- (a) any actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of, any **Pollutants**; or
- (b) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise any **Pollutants**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request.
- (c) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- (e) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (f) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter
- (g) any chemical, biological, biochemical, or electromagnetic weapon.

Previous Policy means the Cyber Insurance policy issued to the **Policyholder** by an insurer other than the **Insurer** for the policy period ending the day before the start of the **Policy Period** and which this Policy directly replaces.

Privacy Notification Expenses means the reasonable and necessary cost of:

- (a) notifying natural persons who may be directly affected by a potential or actual unauthorised access to a **Record**;
- (b) advice to those natural persons' in relation to potential identity theft and fraud, including changing account numbers, other identification numbers and security codes; and
- (c) providing those natural persons, for a stipulated period of time and with the prior consent of the **Insurer**, with credit monitoring or other similar services that may help protect them against fraudulent use of the **Record**,

incurred by an **Insured Organisation** in direct connection with a **Cyber Event**, which is first **Discovered** during the **Policy Period**.

Privacy Notification Expenses does not include any cost which falls within the definition of **Crisis Management Expenses**.

Privacy Regulatory Action means:

- (a) a written demand, whether or not containing a demand for monetary compensation;
- (b) a civil proceeding; or
- (c) a formal regulatory proceeding commenced by the service of a written complaint, charge or similar document,

made against an **Insured** by a governmental or regulatory body alleging a **Privacy Wrongful Act**.

Privacy Regulatory Fines means fines and penalties imposed by a governmental or regulatory body in a **Privacy Regulatory Action** first made during the **Policy Period** which are:

- (a) non-criminal; and

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- (b) insurable under the jurisdiction most favourable to insurability to which the **Insurer** and the **Insured** incurring the fines or penalties or the **Privacy Regulatory Action** giving rise to them have a substantial relationship.

Privacy Wrongful Act means any error (including **Human Error**), misstatement, act, omission, neglect, breach of duty actually or allegedly committed by the **Insured**, which commences on or after the **Retroactive Date** and before the end of the **Policy Period**, that leads to an unauthorised disclosure or transmission by the **Insured** (or by a **Third Party Service Provider**) resulting in a failure to handle, manage, store, destroy or otherwise control a **Record**.

Property means tangible property other than **Money**, **Securities** and **Merchandise**.

Property Damage means physical damage to or destruction or loss of use of any tangible property.

Record means:

- (a) **Personal Data** which is intended by an **Insured Organisation** to be accessible only by persons it has specifically authorised;
- (b) **Personal Data** or information that is held by an **Insured Organisation** or by a **Third Party Service Provider** on an **Insured Organisation's** behalf and access to which, or confidentiality or privacy of which, is regulated or protected by law or regulation of any jurisdiction including, but not limited to, the UK Data Protection Act 2018, General Data Protection Regulation, the Gramm-Leach Bliley Act of 1999, the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act of 2009 (the latter three being **USA** statutes); or
- (c) **Corporate Information** which:
- (i) is in an **Insured Organisation's** or **Third Party Service Provider's** care, custody or control; or
 - (ii) is provided to an **Insured Organisation** under a written confidentiality or non-disclosure agreement and is intended by that **Insured Organisation** to be accessible only by persons it has specifically authorised.

Recovery Expenses means the reasonable and necessary expenses an **Insured Organisation** incurs, during the **Recovery Period** as a direct result of an actual or potential impairment of or interruption to **Operations** which commences during the **Policy Period** and results from a **Cyber Event**, (or **Cyberattack** where this coverage is granted under Insuring Clause 5; Contingent Business Interruption), in an attempt to continue **Operations** and which expenses are over and above the expenses that **Insured Organisation** would have normally incurred. **Recovery Expenses** do not include any costs of any update, upgrade or remediation of an **Insured's System** which are not otherwise covered under this Policy.

Recovery Period means the period of time starting:

- (a) for the purposes of **Business Income Loss** cover, at the time specified in item 4 of the Schedule after the actual impairment or interruption first arises; and
- (b) for the purposes of **Recovery Expenses** cover, at the time when the actual or potential impairment or interruption first arises,

and ending on the earliest of:

- (i) the date when the **Operations** are restored to the condition they were in immediately prior to the impairment or interruption;

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- (ii) the date when, with due diligence and despatch, the **Operations** could be restored to the condition they were in immediately prior to the impairment or interruption;
- (iii) 120 days after the date when the **Services** of the **System** subjected to the **Cyber Event** are restored to the condition they were in immediately prior to the impairment or interruption; and
- (iv) 120 days after the date when, with due diligence and despatch, the **Services** of the **System** subjected to the **Cyber Event** could be restored to the condition they were in immediately prior to the impairment or interruption.

Remote Access Fraud means the fraudulent use by any person, from a location other than premises occupied by an **Insured Organisation** for conducting its business, of telephone lines rented or subscribed to by an **Insured Organisation**.

Retroactive Date means the date stated in Item 6 of the Schedule or, if no date is stated there, the start date of the **Policy Period**.

Reward Expenses means the reasonable amount of a reward paid by an **Insured Organisation**, with the **Insurer's** prior written consent and in direct connection with a **Cyber Event** on an **Insured's System** which is first **Discovered** during the **Policy Period** or (provided that Insuring Clause 10 is **Operative**) a **Cyber Extortion Threat** which commences during the **Policy Period**, to a natural person who provides information not otherwise available leading to the arrest and conviction of any person responsible for that **Cyber Event** on an **Insured's System** or **Cyber Extortion Threat**.

Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or other property.

Services means computer time, data processing, or storage functions or other uses of an **Insured's System**.

Social Engineering Fraud means:

- (a) the criminal taking by a **Fake Person**, acting alone or in collusion with others, of **Money**, **Securities** or **Merchandise** to the deprivation of an **Insured Organisation**, which is committed by means of that **Fake Person** deceiving an **Employee** into transferring, paying or delivering that **Money**, **Securities** or **Merchandise**; or
- (b) a **Funds Transfer Fraud**, or **Computer Fraud**, which involves a **Third Party** deceiving an **Employee** into providing any security detail for operating or having access to an account held by an **Insured Organisation** with a bank or any other financial institution.

Subsidiary means a company in which the **Policyholder** directly and/or indirectly:

- (a) holds a majority of the voting rights;
- (b) has the right to appoint or remove a majority of the board of directors; or
- (c) controls alone, pursuant to a written agreement with other shareholders, a majority of the voting rights.

Substitutable Cover Terms means those terms of the **Previous Policy** which are the **Previous Policy's** equivalents to the terms of this policy.

System means a **Computer** and:

- (a) all input, output, processing, storage and communication devices controlled, supervised or accessed by the operating systems that are owned by, or licensed to, the owner of the **Computer**; and
- (b) **Media**.

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System Damage and Rectification Costs means the reasonable cost, incurred by an **Insured Organisation** in direct connection with a **Cyber Event** on the **Insured's System** first **Discovered** during the **Policy Period**, in order to repair and restore the **Data, Media** and application components of the **Insured's System** that have been damaged as a direct result of that **Cyber Event** on the **Insured's System**..

Telephone Fraud Loss means call charges incurred by an **Organisation** solely as a result of **Remote Access Fraud**.

Third Party means a person other than an **Organisation** or an **Employee**.

Third Party Service Provider means an organisation that performs any of the following services for or on behalf of an **Insured Organisation**:

- (a) processing, holding or storing information;
- (b) data back-up, data storage or data processing;
- (c) hosting that **Insured Organisation's** website, applications or infrastructure services.

Third Party Service Provider System means a **System** which is not an **Insured's System** and is under the direct control of a **Third Party Service Provider**.

Third Party System means a **System** which is not an **Insured's System**.

USA means the United States of America, its territories and possessions and any state or political subdivision thereof.

Vendor means a person that provides, or has provided, goods or services to an **Insured** under a legitimate pre-existing arrangement or written agreement.

Wrongful Act means a **Cyber Wrongful Act** and **Media Wrongful Act**.

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2. Additional Policy Features

2.1 Acquisition or Creation of Another Organisation

If, during the **Policy Period**, an **Insured Organisation**:

- (a) acquires securities or voting rights in another organisation which, as a result of such acquisition, becomes a **Subsidiary**;
- (b) creates an organisation which, as a result of such creation, becomes a **Subsidiary**; or
- (c) acquires any organisation by merger into or consolidation with that **Insured**,

then that organisation and its **Insured Persons** shall automatically become **Insureds** under this Policy with effect from the date of such acquisition or creation, but only with respect to **Wrongful Acts** and **Cyber Events** after such acquisition or creation (although, if requested by the **Policyholder**, the **Insurer** may agree to provide cover for prior **Wrongful Acts**, **Cyber Events** and prior conduct, following the receipt of any information the **Insurer** may require).

However, if such organisation:

- (a) has annual revenue or turnover which is greater than 25% of the **Insured Organisations** annual fee income last declared to the **Insurer** prior to the **Policy Period**;
- (b) has gross consolidated assets that increase the total consolidated assets of all the **Insured Organisations** together by more than 20% as recorded in the latest annual audited report and consolidated accounts of the **Policyholder**; or
- (c) has assets in the **USA**;

for that organisation and its **Insured Persons** to become **Insureds** under this Policy, the **Policyholder** must give written notice of that acquisition, and such information as the **Insurer** may require, to the **Insurer**. The **Insurer** shall have the right to amend the terms of this Policy including charging an additional premium.

2.2 Insolvency of Policyholder or Other Insured Organisation

If, during the **Policy Period**:

- (a) the **Policyholder** enters into bankruptcy, winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or a receiver or holder of a similar position is appointed over any of its assets, cover for the **Insured Organisations** and their **Insured Persons** shall continue until the end of the **Policy Period**, but that cover shall not be for **Wrongful Acts** or **Cyber Events** after the date of such entry or appointment;
- (b) an **Insured Organisation** other than the **Policyholder** enters into bankruptcy, winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or a receiver or holder of a similar position is appointed over any of its assets, cover for that **Insured Organisation** and its **Insured Persons** shall continue until the end of the **Policy Period**, but that cover shall not be for **Wrongful Acts** or **Cyber Events** after such cessation, entry or appointment.

2.3 Non-avoidance and Severability

In respect of the **Application**, no statements made or information possessed by any **Insured** shall be imputed to any **Insured Person** for any reason.

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In the event of a fraudulent or dishonest breach of the duty of fair presentation by any **Insured** determined by admission, final non-appealable judgment or adjudication:

- (i) if the breach occurs prior to the inception date of the Policy, the **Insurer** may avoid the contract and refuse all claims, and need not return any of the premiums paid, in respect of such Insured;
- (ii) if the breach is in relation to a variation of the Policy, the **Insurer** may treat the Policy as if the variation was never made and need not return any of the premiums paid in respect of the variation, in respect of such Insured.

It is agreed that in the event of a breach of the duty of fair presentation by an Insured, which is not fraudulent or dishonest, the **Insurer** irrevocably waives all and any rights and remedies it may have because of such breach, including any remedy that would have been available under the UK Insurance Act 2015. For the purposes of this clause, the phrase "duty of fair presentation" shall have the same meaning as given to it in the UK Insurance Act 2015.

2.4 Option for Previous Policy Cover

The provisions of this Section 2.4 shall only be effective if the **Policyholder** provides to the **Insurer**, before the start of the **Policy Period**, a complete and accurate copy of the **Previous Policy** including all schedules and endorsements thereto and variations thereof and the **Insurer** confirms in writing that the provisions of this Section 2.4 are effective.

Within 30 days of the **Insurer** being given written notice of a **Claim** in accordance with Section 5.1 or 5.2, the **Policyholder** may give to the **Insurer** a written notice requesting coverage conversion, whereupon all the **Substitutable Cover Terms** shall apply to that **Claim**, and all **Claims** deemed with it to be a single **Claim**.

Any matter which is not within a definition of **Claim** but would be if it was defined in the same way as an equivalent definition in the **Previous Policy's** equivalent cover, shall be regarded as within this Policy's definition of **Claim** for the purposes of allowing the **Policyholder** to report it in accordance with Section 5.1 and of requesting coverage conversion such that, if it is reported and coverage conversion is requested in accordance with this Section it shall be deemed a **Claim** to be dealt with under the terms of this Policy but with all the **Substitutable Cover Terms** in place of all the equivalent terms of this Policy.

No term of the **Previous Policy** which stipulates a deductible, excess or retention, a main policy period limit of liability, a main any one claim or any one loss or any one event limit of liability or a limit of liability in addition to any aforementioned main limit, wherever in the **Previous Policy** such term may appear (whether in a schedule, a limits of liability clause, an insuring clause, an endorsement or otherwise), shall be a **Substitutable Cover Term** and all sublimits of liability stipulated in the **Previous Policy** (other than one which is greater in amount than an applicable **Policy Period Limit**) shall be **Substitutable Cover Terms**.

2.5 Extended Reporting Period for Insuring Clauses 2 and 8

- (a) Should the **Insurer**, other than for non-payment of premium, or the **Policyholder** refuse to renew this Policy, the **Policyholder** and the **Insured Persons** may, solely for the purposes of Insuring Clauses 2 and 7, elect to obtain the extended reporting period stated in Item 7 of the Schedule provided that written notice of such election and payment of the additional premium are received by the **Insurer** within 60 days following the expiry of the **Policy Period**; this extended reporting period shall commence from the expiry date of the **Policy Period** and shall apply only to **Wrongful Acts** prior to that date.
- (b) A **Claim** first made during an obtained extended reporting period shall be deemed to have been first made during the **Policy Period**. However, if **Legal Liability Loss** on account of such **Claim** is covered under any other insurance policy taken out by any **Insured Organisation** for **Claims** first made during a period after the **Policy Period** (or would be so covered but for exhaustion of a limit or sublimit of liability of the insurer), then the **Insurer** shall not be liable for that **Legal Liability Loss**.

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3. Exclusions and Sanctions

3.1 Exclusions applicable to all Insuring Clauses

The **Insurer** shall not be liable for **Legal Liability Loss**, on account of any **Claim**, or for any **Event Loss**, or for any **Financial Loss**, on account of a **Cyber Crime**:

- (a) based upon, arising from or in consequence of any fact or **Wrongful Act** forming part of circumstances or of a **Claim** of which written notice has been accepted under any policy which this Policy renews, replaces or follows in whole or in part;
- (b) based upon, arising from or in consequence of **Personal Injury** or **Property Damage**;
- (c) based upon, arising from or in consequence of **Pollution**;
- (d) based upon, arising from or in consequence of:
 - (i) any actual or alleged breach of, or liability under, any contract or agreement; or
 - (ii) any actual or alleged liability assumed by an **Insured** by contract or agreement,

(but this exclusion shall not apply to a **Claim** seeking remedy for a **Privacy Wrongful Act** or **Network Security Wrongful Act** and shall not apply to such **Legal Liability Loss** or **Event Loss** as the **Insured** would have incurred or sustained in the absence of such contract or agreement);
- (e) based upon, arising from or in consequence of:
 - (i) any deliberate fraudulent act or omission or any intentional breach of law by an **Insured**; or
 - (ii) any publication (whether electronic, written, oral or otherwise) by an **Insured** of false information with knowledge of its falsehood or which a reasonable person in that **Insured's** circumstances would know to be false,

(but this exclusion shall apply only to those **Insureds** in respect of whom there is a finding, but not one applied for by the **Insurer**, in a final non-appealable judgment or adjudication that they committed such act, omission, breach or publication or who make an **Admission** that they committed such act, omission, breach or publication; and, for the purposes of determining whether this exclusion applies to an **Insured Organisation**, only conduct of, and **Admissions** by, its past, present or future Chairman, Chief Executive, Managing Director, Finance Director, General Counsel, Risk Manager, Information Technology Manager or holder of an equivalent position to any of the foregoing shall be imputed to it);
- (f) which an **Insured** incurs in the position of trustee in bankruptcy, liquidator, receiver, administrator, supervisor or any other insolvency office-holder;
- (g) based upon, arising from or in consequence of any actual or alleged breach of:
 - (i) the CAN-SPAM Act of 2003 or the Telephone Consumer Protection Act of 1991 (both statutes of the **USA**) and any consolidation, amendments or re-enactments of either of them; or
 - (ii) any other law or regulation of any jurisdiction prohibiting or governing the use of unsolicited communications (whether aural, visual or otherwise), distributions, publications, sendings or transmissions;
- (h) based upon, arising from or in consequence of unlawful collection or acquisition of **Personal Data** by the **Insured**, including the use of such information to send unsolicited communications, faxes or emails, or

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any failure to comply with legal requirements or obligations relating to a person's consent to the acquisition, collection, or use of personal information, however, this exclusion does not apply with respect to a **Privacy Regulatory Action**;

- (i) based upon, arising from or in consequence of any claim form, writ, demand, suit or other proceeding pending, or order, decree or judgment entered, for or against any **Insured** on or prior to the Pending or Prior Date stated in Item 5 of the Schedule or a fact, circumstance or situation the same as or substantially the same as any of those underlying or alleged in such claim form, writ, demand, suit, other proceeding, order, decree or judgment;
- (j) based upon, arising from or in consequence of any law, duty or trust by an **Insured** in their capacity as trustee, fiduciary or administrator of any superannuation, pension, profit sharing, health and welfare or other employee benefit scheme, programme, plan or trust established or maintained to provide benefits to employees or directors;
- (k) by or on behalf of any natural person who is a director, principal, partner or **Member** of an **Insured Organisation**;
- (l) based upon, arising from or in consequence of any actual or alleged infringement or misappropriation of a patent or trade secret;
- (m) based upon, arising from or in consequence of any actual or alleged **Media Wrongful Act** resulting from any sale, supply, distribution or use of any good, product or service that actually or allegedly infringes or misappropriates any **Intellectual Property** or breaches any law relating to piracy or similar practice;
- (n) based upon, arising from or in consequence of any actual or alleged failure of any good, product, product recall or service to conform with any representation or warranty about it;
- (o) based upon, arising from or in consequence of any actual or alleged infringement or misappropriation of any right to or interest in any:
 - (i) software or its source content or material;
 - (ii) computer code or its source content or material; or
 - (iii) expression, method or process designed to control or facilitate any operation or other use of a **Computer** or automated system;
- (p) based upon, arising from or in consequence of any failure, degradation or termination of core internet or telecommunications infrastructure that results in a regional, countrywide or global outage of the internet;
- (q) based upon, arising from or in consequence of any reduction in economic or market value of any of the **Insureds Intellectual Property** assets;
- (r) based upon, arising from or in consequence of any satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; and outages to gas, water, telephone, cable, telecommunications, or other infrastructure, unless such infrastructure is under the Insured's direct operational control or a Third Party Service Provider's direct operational control.
- (s) based upon, arising from or in consequence of any professional services or negligent advice provided to a **Customer** except when arising directly from a **Cyber Event**;
- (t) based upon, arising from or in consequence of any war, invasion, acts of foreign enemies, terrorism, hostilities or warlike operations (whether war is declared or not), civil war, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power. However, this exclusion shall not apply to an **Act of Cyber-Terrorism** which results in a **Claim**;

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- (u) based upon, arising from or in consequence of any failure, intentional shutdown, interruption or breakdown of an **Insured's System** or **Third Party Service Provider's System** as applicable due to any causes other than as a result of a **Cyber Event** on an Insured's System or a **Cyberattack** on a **Third Party Service Provider's System** For clarification, this exclusion shall not exclude an intentional shutdown of a **System** to mitigate a **Cyber Event**,
- (v) based upon, arising from or in consequence of any action of a public or governmental authority, including, but not limited to, shutdown, seizure, confiscation or destruction of an **Insureds System or Data**
- (w) Any wear and tear, drop in performance, progressive or gradual deterioration or the ageing of electronic equipment and other property or hardware used by an **Insured** and/or **Third Party Service Provider** as a result of normal operation or progressive deterioration
- (x) based upon, arising from or in consequence of any violation of any laws or regulations relating to the offer, sale, purchase or ownership of shares, including but not limited to the United States Securities Act of 1933, the United States Securities Exchange Act of 1934, the United States Investment Advisers Act of 1940, any state blue sky or securities law, any similar legislation, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws; or
- (y) made by, on behalf of or for the benefit of any **Insured**;
- (z) based upon, arising from or in consequence of any **Pollution**.
- (aa) Penalties, punitive damages, exemplary damages or any additional damages resulting from the multiplication of compensatory damages, unless where insurable by law. For clarification, this exclusion shall not exclude **Payment Card Industry (PCI) Loss**.
- (ab) Based upon, arising from or in consequence of any natural perils, which shall include but not be limited to the following:

Earthquake, seaquake, earthquake shock, aftershock, seismic and/or volcanic disturbance/eruption, hurricane, rainstorm, windstorm, storm, tempest, tornado, cyclone, typhoon, tidal wave, tsunami, flood, hail, winter weather/freeze, ice storm, weight of snow and ice, avalanche, any falling objects (including but not limited to meteor and asteroid), liquefaction, landslip, landslide, mudslide, erosion, lightning, sinkhole collapse, earth movement, subsidence, ground heave, solar wind/storm, tropical storm, tropical depression, firestorm, storm surge and wildfire, brush fire, bush fire and forest fire.

Furthermore, fire and/or any other ensuing loss or losses following any losses arising from Natural Perils shall also be excluded from this Agreement.

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3.2 Exclusions applicable to Insuring Clauses 1, 2, 3, 4, 5 & 6 only

The **Insurer** shall not be liable under Insuring Clauses 1, 2, 3, 4, 5 & 6 for any:

- (a) return of fees, charges, commissions or other consideration paid to an **Insured**;
- (b) costs or expenses incurred to perform any obligation assumed by, on behalf of or with the consent of any Insured (but this exclusion shall not apply to **Privacy Notification Expenses**);
- (c) costs or expenses incurred to establish the existence of or amount of any **Event Loss** (but this exclusion shall not apply to **Immediate Incident Response Expenses** or **Crisis Management Expenses**);
- (d) costs or expenses incurred to replace, upgrade, update, improve or maintain a **System**;
- (e) costs or expenses incurred to comply with any order for, or agreement to provide, injunctive or non-pecuniary relief (but this exclusion shall not apply to **Privacy Notification Expenses**);
- (f) income (including, but not limited to, interest and dividends) which an **Insured** or **Customer** does not realise (but this exclusion shall not apply to **Business Income Loss**);
- (g) changes by the **Insured** to its computer hardware or software made without approval by those individuals who are responsible for the formal acceptance of changes to the **Insured's System** before such changes are implemented; or
- (h) acts of the **Insured** related to any **Insured's** pension, healthcare, welfare, profit sharing, mutual or investments plans, funds or trusts; or any violation of any provisions of the United States Employee Retirement Income Security Act of 1974 and any amendments thereof, or regulations, rulings or orders issued pursuant thereto.

3.3 Exclusions applicable to Insuring Clause 7 only

The **Insurer** shall not be liable for:

- (a) **Crime Loss** resulting from the loss of trade secrets, confidential processing methods or other confidential information of any kind;
- (b) **Crime Loss** resulting from **Cyber Crime** committed by any person controlling at any time more than 10% of the issued share capital of an **Insured Organisation** (but, if that **Crime Loss** would, but for this exclusion, be covered by this Insuring Clause then the **Insurer** shall pay so much of that **Crime Loss** as exceeds the value of that person's shareholding or interest on the day immediately preceding the date of **Discovery** of the **Cyber Crime**);
- (c) **Crime Loss** sustained by one **Insured Organisation** to the advantage of any other **Organisation**;
- (d) interest (except **Expenses**), gains, profits or other income;
- (e) consequential loss of any kind except for **Expenses**; or
- (f) **Crime Loss** resulting from extortion.

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3.4 Exclusions applicable to Insuring Clause 8 & 9 only

The **Insurer** shall not be liable under Insuring Clause 8 or 9 for **Legal Liability Loss** on account of any **Claim** which is:

- (a) a formal investigative inquiry by any regulatory, administrative or licensing body into the conduct or affairs of an **Insured**; or
- (b) a proceeding against an **Insured** by any regulatory, administrative or licensing body, alleging breach of any law, regulation or licence or alleging any failure to have a requisite licence (other than a proceeding by such body solely in its capacity as a **Customer**).

3.5 Sanctions

No **Insurer** shall be deemed to provide cover and no **Insurer** shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

4. Limits of Liability and Payment of Loss

Limits of Liability

4.1 The **Insurers** maximum aggregate liability for:

- (a) all **Legal Liability Loss** and **Court Attendance Costs**, whether covered under one or more of the Insuring Clauses and/or otherwise, on account of all **Claims** first made during the **Policy Period**; and
- (b) all **Event Loss**, whether covered under one or more of the Insuring Clauses and/or otherwise, on account of all **Cyber Events**;

whether involving one or any number of **Insureds**, shall not exceed the Aggregate Limit of Liability for the **Policy Period** stated in Item 3 of the Schedule.

With respect to each single **Cyber Claim**, the **Insurers** maximum liability for all **Legal Liability Loss** and **Court Attendance Costs** on account of that **Cyber Claim**, whether it involves one or any number of **Insureds**, shall not exceed the Insuring Clause 8 Limit of Liability for each single **Cyber Claim** stated in Item 4 of the Schedule, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1.

With respect to each single **Media Claim**, the **Insurers** maximum liability for all **Legal Liability Loss** and **Court Attendance Costs** on account of that **Media Claim**, whether it involves one or any number of **Insureds**, shall not exceed the Insuring Clause 9 Limit of Liability for each single **Media Claim** stated in Item 4 of the Schedule, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1.

The **Insurers** maximum aggregate liability for all **Legal Liability Loss** and **Court Attendance Costs** on account of all **Privacy Regulatory Actions** first made during the **Policy Period**, whether involving one or any number of **Insureds**, shall not exceed the Insuring Clause 2 Limit of Liability for the **Policy Period** stated in Item 4 of the Schedule, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1.

With respect to each single **Payment Card Industry (PCI) Loss**, the **Insurers** maximum liability for all **Legal Liability Loss** and **Court Attendance Costs** on account of that **Payment Card Industry (PCI) Loss**, whether

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it involves one or any number of **Insureds**, shall not exceed the Insuring Clause 3 Limit of Liability for each single **Payment Card Industry (PCI) Loss** stated in Item 4 of the Schedule, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1.

With respect to each single **Cyber Event**, the **Insurers** maximum liability for all **Event Loss** on account of that **Cyber Event**, whether it involves one or any number of **Insureds**, shall not exceed the Limit of Liability for each single **Cyber Event** stated in Item 4 of the Schedule for the Insuring Clause which applies, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1. Where more than one Insuring Clause applies to that **Cyber Event**, the applicable Limit of Liability for that **Cyber Event** shall be the largest Limit of Liability for each single **Cyber Event** of those stated in Item 4 for the Insuring Clauses which apply.

The **Insurers** maximum liability for all **Court Attendance Costs** on account of all **Claims** first made during the **Policy Period**, whether involving one or any number of **Insureds**, shall not exceed the Court Attendance Limit of Liability for the **Policy Period** stated in Item 4 of the Schedule, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1 and, with respect to **Privacy Regulatory Actions**, is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the fourth paragraph of this Section 4.1.

The **Insurers** maximum aggregate liability for all **Crime Loss** on account of all **Cyber Crimes** first **Discovered** during the **Policy Period**, whether involving one or any number of **Insureds**, shall not exceed the Insuring Clause 7 Limit of Liability for the **Policy Period** stated in Item 4 of the Schedule, which Limit of Liability is part of and not in addition to the maximum aggregate liability of the **Insurer** referred to in the first paragraph of this Section 4.1.

Defence Costs are part of and not in addition to the Limit of Liability stated in Item 3, and the Cyber Liability and Media Liability Limits of Liability stated in Item 4, of the Schedule. The payment by the **Insurer** of **Defence Costs** erodes those Limits of Liability.

Amounts stated for limits or sublimits are maximum liabilities of the **Insurer** for all **Insureds** together, not maximum liabilities per **Insured**.

Deductible

4.2 With respect to each single **Claim**, the **Insurer** shall only be liable for that part of **Legal Liability Loss** which is in excess of the Deductible stated in Item 4 of the Schedule for the Insuring Clause which applies.

With respect to each single **Cyber Event**, the **Insurer** shall only be liable for that part of the **Event Loss** which is in excess of the Deductible stated in Item 4 of the Schedule for the Insuring Clause which applies.

In respect of each single **Cyber Crime**:

- (a) the **Insurer** shall only be liable for that amount of **Loss** which exceeds the total of:
 - (i) the Deductible stated in Item 4 of the Schedule; and
 - (ii) the amount of recoveries made prior to the **Insurer** making payment; and
- (b) if an **Insured Organisation** receives payment under another policy or bond after application of a deductible for **Loss** also covered by Insuring Clause 7, the Deductible stated in Item 4 of the Schedule shall, in respect of that **Cyber Crime**, be reduced by that deductible applied under the other policy or bond.

Related Claims

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- 4.3 All **Claims** directly or indirectly arising out of, consequent upon or attributable to one source or originating cause shall be deemed to be a single **Claim** first made on:
- (a) the date when the first of such **Claims** was first made; or
 - (b) the earliest date one of such **Claims** is deemed first made by this Policy or any policy which this Policy renews, replaces or follows in whole or in part (if that earliest date is earlier than the date referred to in (a) immediately above),

regardless of whether that date is before or during the **Policy Period**.

Connected Cyber Events

- 4.4 All **Cyber Events** resulting from:

- (a) the same conduct;
- (b) the same series of related acts of the same person; or
- (c) the same event,

and which result in a liability for the **Insurer** under Insuring Clause 1, 4, 5 & 6, shall be deemed to be a single **Cyber Event**.

4.5 Other Insurance

This policy shall always apply excess over any other more specific valid and collectable insurance policy or indemnification available to the **Insured**, other than any insurance specifically written to apply excess of this policy.

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5. General Terms

5.1 Reporting of Claims and Circumstances for all Insuring Clauses

The **Insured** shall give the **Insurer** written notice of any **Claim** and/or **Cyber Event** as soon as practicable but in no event more than 60 days after the earlier of the following dates:

- (i) the date on which any **Organisation's** Chairman, Chief Executive, Managing Director, Finance Director, General Counsel, Risk Manager, Information Technology Manager or holder of an equivalent position to any of the foregoing, first becomes aware that the **Claim** has been made;
- (ii) after a **Cyber Event** is first **Discovered**; and
- (iii) if this Policy is not renewed, the termination date of the **Policy Period**.

Each **Insured** shall give to the **Insurer** all such information and co-operation as the **Insurer** may reasonably require, including but not limited to a description of the **Claim**, the nature of the alleged **Wrongful Act** and the date it was committed, the nature of the alleged damage, the names of the claimants and defendants and the manner in which the **Insured** first became aware of the **Claim**.

If, during the **Policy Period** an **Insured**:

- (i) becomes aware of circumstances which are likely to give rise to a **Claim**, and gives written notice of such circumstances to the **Insurer**; or
- (ii) receives a written request to waive application of a limitation period to, or to suspend the running of time towards expiry of a limitation period for the commencement of, a civil proceeding against an **Insured** alleging a **Wrongful Act** before or during the **Policy Period** and gives written notice of such request and of such alleged **Wrongful Act** to the **Insurer**,

then any **Claims** subsequently arising from such circumstances or following on from such request shall be deemed to have been first made during the **Policy Period**. Circumstances shall not be regarded as notified unless the written notice expressly identifies the **Wrongful Act** and the date it was committed, the potential damage, the potential claimants and defendants and the manner in which the **Insured** first became aware of the circumstances.

The **Insurer** shall not rely on breach of any of the **Insureds** obligations in this Section to deny liability for any **Loss**. However, in the case of such breach, the **Insurer** shall not be liable for **Loss** which the **Insurer**, believes would not have been incurred if the breach had not occurred.

Reporting and Proof of Loss (for Insuring Clause 7 – Cyber Crime)

5.2 The **Insured** shall give the **Insurer** written notice of any **Cyber Crime** as soon as practicable but in no event more than 60 days after the earlier of the following dates:

- (a) that the **Policyholder** gives the **Insurer** written notice of that **Cyber Crime** as soon as practicable after it is first **Discovered** and in any event no later than 90 days after it is first **Discovered**;
- (b) that, within 6 months after that **Cyber Crime** is first **Discovered**, the **Policyholder** provides a proof of loss, with full particulars, to the **Insurer**; and
- (c) that each **Insured Organisation** gives to the **Insurer** all such information and co-operation as the **Insurer** may reasonably require, including but not limited to submitting to examination under oath at the **Insurer's** request and producing all pertinent records to the fullest extent legally permissible at such times and places as the **Insurer** shall reasonably require.

Cyber Incident Response and Insurance

The **Policyholder** may offer a comparison between an **Insured Organisation's** inventory records and an actual physical count of its inventory to prove the amount of **Financial Loss**, but only where the **Policyholder** establishes wholly apart from such comparison that the **Insured Organisation** has sustained **Financial Loss**.

The **Insurer** shall not rely on breach of any **Insured's** obligations stated above to deny liability for any **Loss** except that, in the case of such breach, the **Insurer** shall not be liable for **Loss** which the **Insurer** reasonably believes would not have been incurred if the breach had not occurred.

Notice

- 5.3 Written notices to the **Insurer** required by Section 5.1 & 5.2 above shall be sent by email to claims@mprunderwriting.com or by post to the Claims Department at the **Insurer's** representative's postal address:

MPR Underwriting Limited,
Chancery Place, 50 Brown Street,
Manchester,
M2 2JG

Notice shall be effective on the date of receipt by **Insurer's** representative by email or at the postal address.

Defence and Settlement

- 5.4 The **Insurer** shall have the right, but not the duty, to take over and conduct at any time the defence of **Claims**, including to appoint lawyers or other representatives or advisers for that purpose.

Each **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Defence Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim**, without the **Insurer's** prior written consent which shall not be unreasonably withheld.

The **Insurer** shall pay covered **Defence Costs**, promptly upon the **Insurer's** receipt of suppliers' invoices.

Territory

- 5.5 Unless otherwise provided elsewhere in this Policy, cover under this Policy shall extend worldwide.

Subrogation

- 5.6 The **Insurer** shall be subrogated to the extent of any payment under this Policy to each **Insured's** rights of recovery, and each **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights and to enable the **Insurer** to bring proceedings in the name of that **Insured**.

Authorisation Clause

- 5.7 The **Policyholder** hereby agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of **Claims** or termination, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Policy, and the **Insureds** agree that the **Policyholder** shall so act on their behalf.

Cyber Incident Response and Insurance

Alteration and Assignment

- 5.8 No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy duly executed on behalf of the **Insurer**.

Rights of Action

- 5.9 No person shall have any rights under or in connection with this Policy by virtue of the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof. The **Policyholder** may not assign to any other person any right or cause of action against the **Insurer** under or in connection with this Policy.

Valuation

- 5.10 For the purposes of establishing the amounts of **Financial Loss** payable by the **Insurer**, the following shall apply for valuation:
- (a) for **Securities**, the least of:
 - (i) the closing price of the **Securities** on the business day immediately preceding the day on which the **Crime** is first **Discovered**;
 - (ii) the cost of replacing the **Securities**; and
 - (iii) the cost to post a lost instrument bond (which cost the **Insurer** shall pay on behalf of the **Insured Organisation**);
 - (b) for paper, microfilm, tapes, disks, computers and other material or means for storing information, the cost of such material or means as if blank and not the value of whatever is recorded therein;
 - (c) for **Property**, the lesser of:
 - (i) the price paid by an **Insured Organisation** for the **Property**; and
 - (ii) the cash value of the **Property** at the time the **Cyber Crime** is first **Discovered**; and
 - (d) for foreign currency, the Pound Sterling value of that currency based on the rate of exchange published in The Financial Times on the day the **Cyber Crime** is first **Discovered**.

Recoveries

- 5.11 For the purposes of this Section, recoveries (whether effected by the **Insurer** or by an **Insured Organisation**), less the cost of recovery, shall be distributed as follows:
- (a) first, to the **Policyholder** for the amount of **Crime Loss** otherwise covered but in excess of the **Insurer's** limits of liability less any applicable Deductible;
 - (b) second, to the **Insurer** for the amount paid to the **Policyholder** for covered **Crime Loss**;
 - (c) third, to the **Policyholder** for the applicable Deductible; and
 - (d) fourth, to the **Policyholder** for **Crime Loss** specifically excluded by this Section.

For the purposes of this Section 5.11, a recovery from any reinsurance of, or indemnity to, the **Insurer** shall not be regarded as a recovery.

Cyber Incident Response and Insurance

Termination

5.12 Cover under this Policy shall terminate at the earliest of the following times:

- (a) 7 days after the receipt by the **Policyholder** of a written notice of termination from the **Insurer** for non-payment of premium;
- (b) expiration of the **Policy Period**;
- (c) receipt by the **Insurer** of written notice of termination from the **Policyholder**; and
- (d) such other time as may be agreed upon by the **Insurer** and the **Policyholder** in writing.

If, at the time of termination of cover under this Policy, no **Insured** has given notice of a **Claim** or of circumstances which are likely to give rise to a **Claim** or of a **Cyber Event**, the **Insurer** shall refund the unearned premium:

- (i) computed at customary short rates, if cover under this Policy is terminated by the **Policyholder**; or
- (ii) computed pro-rata, if cover under this Policy is terminated other than by the **Policyholder**.

Choice of Law and Forum

5.13 The construction of the terms, and the validity and effect, of this Policy are governed by English law. Any dispute or difference arising under or in respect of this Policy shall be subject to and determined within the exclusive jurisdiction of the courts of England and Wales.

Regulatory Information

5.14 This insurance is underwritten by MPR Underwriting Limited, Chancery Place, 50 Brown Street, Manchester, M2 2JG, on behalf of Chaucer Insurance Company DAC, authorised and regulated by the Central Bank of Ireland and registered in the Republic of Ireland. Registered office: 38 & 39 Baggot Street Lower, Dublin D02 T938, Ireland (number 587682). Chaucer Insurance Company Designated Activity Company UK Branch (No. BR019729) is a branch of Chaucer Insurance Company Designated Activity Company, authorised by the Central Bank of Ireland, and subject to limited regulation by the Financial Conduct Authority.

Complaints

5.15 MPR Underwriting are committed to first class service. If you have any complaints about the service you have received, please contact your insurance broker or agent or MPR Underwriting Ltd at:

Post: 10th Floor, Chancery Place, 50 Brown Street, Manchester, M2 2JG.
Email: complaints@mprunderwriting.com

If you remain dissatisfied after your complaint has been reviewed, or if you have not received a written final response within eight weeks from the date your complaint was received, you may be entitled to refer your complaint to the Financial Ombudsman Service who will independently consider your complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: (Fixed): 0800 0234567 Tel (Mobile): 0300 1239123
Tel (Outside UK): +44 (0) 20 7964 0500
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk