

Management Liability Package Lite Policy Wording

Including:

- Management Protection
- Commercial Crime Protection
- Cyber Risk Insurance



EXPERIENCE. KNOWLEDGE. CONFIDENCE



MANAGEMENT PROTECTION

Any One Claim Policy



THIS MANAGEMENT PROTECTION POLICY (AND THE SCHEDULE WHICH FORMS AN INTEGRAL PART OF THE POLICY) IS A LEGAL CONTRACT. IT NEEDS TO BE EXAMINED THOROUGHLY TO ENSURE IT MEETS THE INSURED'S REQUIREMENTS. IF IT DOES NOT MEET THE INSURED'S REQUIREMENTS THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.

ANY FACTS WHICH THE INSURER HAS TAKEN INTO ACCOUNT IN THE ASSESSMENT OR ACCEPTANCE OF THIS INSURANCE, AND ANY SUBSEQUENT CHANGES TO THOSE FACTS NEED TO BE DECLARED. FAILURE TO DO SO MAY INVALIDATE YOUR POLICY OR RESULT IN CERTAIN COVERS NOT OPERATING FULLY. IF YOU ARE IN ANY DOUBT AS TO WHETHER A FACT IS MATERIAL OR NOT, THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY BY THE INSURED.

Royal & Sun Alliance Insurance plc (herein called the **Insurer**) and the **Insured** agree that:

The **Policy** the **Policy Schedule** (including any **Policy Schedule** issued in substitution) and any endorsements shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

The **Proposal** or any information supplied by the **Insured** shall be incorporated in the contract.

The **Insurer** will provide the insurance described in this **Policy** subject to the terms and conditions for the **Policy Period** shown in the **Policy Schedule** and any subsequent period for which the **Insured** shall pay and the **Insurer** shall agree to accept the premium.

PLEASE READ THE POLICY WORDING CAREFULLY.

IMPORTANT NUMBERS

Your Claims Helpline number is 0845 300 4006, please quote your policy number.

Your Advice-line number is 0800 107 3499, please quote reference: 72666.

Contents

Section	Page
Claim Notification	3
Additional Benefits	3
A. Legal Assistance	3
B. Health & Safety	3
C. Tax Advice	3
D. Stress Counselling	3
Interpretation	4
I. DIRECTORS & OFFICERS LIABILITY	4
A. Directors & Officers Liability Insuring Clauses	4
B. Directors & Officers Limit of Liability	4
C. Directors & Officers Extensions	4
D. Directors & Officers Exclusions	6
II. CORPORATE LIABILITY	7
A. Corporate Liability Insuring Clause	7
B. Corporate Liability Limit of Liability	7
C. Corporate Liability Extensions	7
D. Corporate Liability Exclusions	7
III. EMPLOYMENT PRACTICES LIABILITY	8
A. Employment Practices Liability Insuring Clause	8
B. Employment Practices Limit of Liability	8
C. Employment Practices Liability Exclusions	8
IV. POLICY EXCLUSIONS	9
A. Exclusions applicable to all Insuring Clauses	9
B. Severability of Exclusions	10
V. POLICY CONDITIONS	10
VI. CLAIMS CONDITIONS	13
VII. POLICY DEFINITIONS	15
How We Use Your Information	20
Complaints Procedure	21

Claim Notification

Conditions that apply to the **Policy** and in the event of a claim are set out in this **Policy**. It is important that you comply with all policy conditions and you should familiarise yourself with any requirements. Directions for claim notification are included under Claims Conditions.

This information requested with the Claims Conditions will enable us to make an initial evaluation on policy liability and claim value. We may, however, request additional information depending upon circumstances. Sometimes we, or someone acting on our behalf, may wish to meet with you to discuss the circumstances of the claim, or to undertake further investigations.

Initially a notification of any claim should be sent to:

Professional & Financial Risks Claims Department
St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL

We recognise that there may be some occasions when you need to notify us of matters urgently and we are pleased to be able to offer a Claims Helpline.

The Claims Helpline number is 0845 300 4006

Please quote your policy number.

For your protection, telephone calls may be recorded or monitored.

Additional Benefits

Choosing a Royal & Sun Alliance Insurance plc policy means that you also benefit from a number of additional services that we provide free of charge. Our advice-lines will put you in touch with highly qualified experts who can offer information and assistance on a number of issues. Better still you can use any of these advice-lines completely free and there is no limit to the number of times you can call.

A. Legal Assistance

A 24 hour service that gives you access to a team of legal experts offering confidential advice on business matters such as defence of prosecutions, employment, customer and supplier disputes.

B. Health & Safety

Help is available 24 hours a day on health and safety legislation, including its interpretation, and advice on civil and criminal liability for accidents at work.

C. Tax Advice

A confidential telephone advisory service offering assistance on all taxation issues such as PAYE, VAT and income tax. This service is available Monday to Friday, 9am to 5pm.

D. Stress Counselling

Stress affects most people at some point in their working lives. Our stress counselling service will help you deal with stress at work by addressing minor problems before they become major crises.

Confidentiality is of the utmost importance, and our counsellors are qualified and experienced in assessing problems quickly so they can provide immediate therapy.

The advice-line number is 0800 107 3499

Please quote reference: 72666

Advice lines are intended for business use and are a service provided to the **Insured** only in their capacity as a policyholder.

This page should be read in conjunction with the rest of your policy documents.

Interpretation

In this **Policy** the singular includes the plural and vice versa. The male gender includes the female and neutral genders. Person includes bodies corporate.

References to any Act or law include any rule, order, regulation or other similar instrument made thereunder and shall include any amendment, replacement, consolidation or re-enactment of such Act or law.

Any Legal references within this **Policy** shall include any equivalent legal provision in the jurisdiction of ordinary residence of the **Insured** or location of the risk **Insured** provided that such jurisdiction falls within the territorial scope of this **Policy**.

The use of headings and sub-headings is for ease of reference only and is not intended to be construed as an aid to interpretation. Any sentence commencing with the term "including" or "includes" or any

similar expression is intended to be construed as illustrative and not as exhaustive.

I. DIRECTORS & OFFICERS LIABILITY

THIS INSURANCE COVERS CLAIMS FIRST MADE AGAINST THE INSURED AND NOTIFIED TO THE INSURER DURING THE POLICY PERIOD OR APPLICABLE DISCOVERY PERIOD

A. Directors & Officers Liability Insuring Clauses

1. Directors and Officers Liability Cover

The **Insurer** shall pay, on behalf of any **Insured Persons**, **Loss** arising from **Claims** first made during the **Policy Period** for which the **Company** has not provided an indemnity to that **Insured Person** for such **Loss**.

2. Company Reimbursement Cover

The **Insurer** shall pay, on behalf of the **Company**, **Loss** arising from **Claims** first made during the **Policy Period** if, and to the extent that, the **Company** is legally required and permitted to indemnify and has provided an indemnity to an **Insured Person** for such **Loss**, provided that the **Insurer** shall not be liable for and the **Company** shall be liable to pay any applicable **Retention**.

3. Employment Wrongful Acts

The **Insurer** shall pay, on behalf of any **Insured Persons**, **Loss** arising from **Claims** first made during the **Policy Period** for **Employment Wrongful Acts** against the **Insured Persons**. However, the **Insurer** shall not be liable for **Loss** arising out of any **USA Claim** for an **Employment Wrongful Act**.

B. Directors & Officers Limit of Liability

The **Limit of Liability** purchased as provided in the **Policy Schedule** shall be the maximum liability of the **Insurer** for **Loss** arising from all **Claims** and Any One Claim and any **Related Claims** first made during the **Policy Period** or any applicable **Discovery Period**. For the avoidance of doubt a separate **Limit of Liability** shall apply in respect of **Claims** under this Directors & Officers Liability **Policy Section**.

- (i) The **Insurers** liability for **Loss** sustained or **Loss** arising out of any one **Claim** and any **Related Claims** sustained by any or all **Insured** under this Insurance shall not exceed the **Limit of Liability**.

C. Directors & Officers Extensions

The maximum liability of the **Insurer** during the **Policy Period** under each Extension shall be subject to the maximum limit as detailed in **B. Directors & Officers Limit of Liability** unless specified otherwise below.

1. Civil Fines and Penalties

This **Policy** will pay any civil fine or penalty imposed upon an **Insured Person** by any **United Kingdom** regulator, disciplinary body, criminal authority, government body, government agency, official trade body or any other body that is empowered by **United Kingdom** statute to investigate the affairs of an **Insured**, as a direct result of such person acting in their capacity as an **Insured Person** unless that civil fine or penalty is deemed uninsurable under **United Kingdom** law.

2. Compensation for Court Attendance

In the event of the legal advisers acting on behalf of the **Insured**, with the consent of the **Insurer**, requiring any **Director** of the **Insured** to attend any court tribunal, arbitration, adjudication, mediation or other hearing as a witness in connection with a **Claim** made against the **Insured** and notified under this **Policy** the **Insurer** will provide compensation to the **Insured** at the rate of £250 per person for each day on which attendance is required.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

3. Corporate Manslaughter / Homicide Act 2007

The **Insurer** shall pay that part of **Loss** on behalf of any **Insured** which relates to **Defence Costs** only incurred by any **Insured** in respect of any criminal proceedings relating to corporate manslaughter (or other similar or equivalent criminal offence in any jurisdiction in which the **Company** operates) resulting from a **Wrongful Act** or **Investigation**.

For the purposes of this Extension **Defence Costs** shall not include costs relating to any publicity or remedial orders imposed by any court (or similar or equivalent judicial remedial or punitive measure imposed in any jurisdiction in which the **Company** operates).

4. Crisis & Regulatory Event

The **Insurer** shall pay reasonable costs (including but not limited to lawyers' and agents' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons** or **Employees** of the **Company**) incurred with its prior written consent in respect of fees necessarily incurred by the **Insured** to employ the services of an external public relations consultant, crisis management firm or law firm solely to provide guidance to minimise or limit adverse

publicity which is anticipated which may otherwise develop into a **Claim** or **Investigation**.

The **Insurer** shall not unreasonably withhold its consent to the incurring of costs and expenses under this Extension

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

5. Deprivation of Assets

The **Insurer** shall be liable for **Deprivation of Asset Expenses** and **Expenses** (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons** or **Employees** of the **Company**) in excess of the applicable **Retention** under **Insuring Clauses A.1 Directors & Officers Liability**, or **A.2. Company Reimbursement Cover** incurred with its prior written consent.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

6. Emergency Costs and Expenses

In the event that the **Insured** are unable to reasonably obtain the **Insurer's** prior written consent to incur **Defence Costs** the **Insurer** shall retrospectively approve such costs, less any applicable **Retention**, provided such costs are notified to the **Insurer** as soon as possible after they are incurred.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £50,000.

This Extension shall not apply in addition to any other Extension for any **Loss**, **Claim** or **Related Claim**.

7. Investigation Defence Costs

The **Insurer** shall pay that part of **Loss** which relates to **Defence Costs** only on behalf of any **Insured Person** incurred by any **Insured Person** in defending themselves due to any notice of an **Investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document.

The **Insurer** shall not pay under this Extension any remuneration of any **Insured Person**, for the cost of their time, or any costs or overheads incurred by any **Company**, except for those provided for under this Extension.

8. Management Buy-Outs

In the event of a **Subsidiary** of the **Company** ceasing to be owned by the **Company** as a result of a buy-out by existing management the **Insurer** agrees to maintain this **Policy** in respect of such **Subsidiary** for a period of 30 days from the date of the buy-out for **Wrongful Acts** committed subsequent to the buy-out. This Extension shall be excess of any other

insurance in force which provides cover in respect of such **Wrongful Acts** and shall apply to existing **Directors** of the original **Subsidiary** only.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

9. Mental Anguish or Emotional Distress

The **Insurer** shall pay that part of **Loss** which relates to **Defence Costs** only on behalf of any **Insured Person**, subject to the maximum aggregate **Sub-Limit** specified in the **Policy Schedule** incurred by any **Insured Person** in defending themselves in relation to any actual or alleged mental anguish or emotional distress caused by an **Insured Person** in their capacity as a **Director** or **Officer** against a past, present or prospective **Employee** or non-executive **Director** of the **Company** for any **Employment Wrongful Act**.

10. Outside Directorship / Entities

The **Insurer** shall pay **Loss** on behalf of any **Insured Person** and any **Employee** of the **Company**, who at the specific request of the **Company** was, is, or becomes during the **Policy Period** a director, officer, trustee, governor or occupies a position of equivalent status, of any **Outside Entity**, for **Claims** against them in respect of a **Wrongful Act** committed or attempted by such **Insured Persons** or **Employees** in their respective capacities as directors, officers, trustees, governors or positions of equivalent status, of such **Outside Entity**.

This Extension shall be excess of any indemnification provided by the **Outside Entity** and any valid and collectible directors and officers liability insurance in respect of the **Outside Entity**.

This extension shall not apply to **USA Claims**.

11. Personal Liability for Unpaid Taxes following Insolvency

The **Insurer** shall pay on behalf of the **Insured Persons** that part of **Loss** arising from their personal liability for unpaid taxes where the **Company** has become insolvent except to the extent such liability arises from improper personal financial gain, fraud and dishonesty or wilful intent of the **Insured Person** to breach any statutory duty governing the payment of taxes.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

12. Pollution

The **Insurer** shall pay that part of **Loss** which relates to **Defence Costs** only on behalf of any **Insured** incurred by any **Insured** in defending themselves against criminal or regulatory proceedings in respect of **Pollution** of any kind which results from a **Wrongful Act**.

This Extension shall not apply to any **USA Claim**.

13. Retired and Former Directors

- (a) In the event that any **Insured Person Retires** as a **Director** or **Officer** from the **Company** prior to the expiry of the **Policy Period** such **Insured Person** shall be entitled to a free **Discovery Period** for a period of 72 months after the expiry of the **Policy Period**, provided always that this **Discovery Period** shall not apply where the **Policyholder** renews or replaces this **Policy** (whether with the **Insurer** or otherwise) or where a **Discovery Period** has been activated in accordance with Policy Condition H. **Discovery Period**, of this **Policy**.
- (b) In the event that any **Insured Person** ceases to be a **Director** or **Officer** during the **Policy Period** for reasons other than **Retirement** excluding:
- (i) disqualification from holding the office of **Director**;
 - (ii) being dismissed from their position;
 - (iii) due to the acquisition, **Merger** or winding up of the **Policyholder** as detailed under Policy Condition Q. **Transactions Changing Coverage**; or
 - (iv) due to the **Policyholder** being wound up,

such **Insured Person** shall be entitled to a free **Discovery Period** of 180 days after the expiry of the **Policy Period**, provided always that this **Discovery Period** shall not apply where the **Policyholder** renews or replaces this **Policy** (whether with the **Insurer** or otherwise) or where a **Discovery Period** has been activated in accordance with Policy Condition H. **Discovery Period**, of this **Policy**.

14. Shareholder Action deriving from Pollution

The **Insurer** shall pay **Loss** on behalf of the **Insured Persons** in respect of civil proceedings brought by any shareholder or bondholder of the **Company**, either directly or derivatively, alleging loss in the value of the share capital of the **Company** by reason of **Pollution** of any kind which results from a **Wrongful Act**, unless on or before the **Original Inception Date** any **Insured Person** or any **Employee** of the **Company** whose responsibilities include environmental control or compliance knew or should reasonably have foreseen that a **Circumstance** existed which could have given rise to a **Claim** against the **Company** or any **Insured Person**.

This Extension shall not apply to any **USA Claim**

15. Shareholder Claim Cover

The **Insurer** shall pay, on behalf of the **Company**, necessary costs (including but not limited to lawyers' and agents' fees) and **Expenses** (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons** or **Employees** of the **Company**) incurred by a shareholder in pursuing a **Claim** in

the name of the **Company** against a **Director** or **Officer** and which the **Company** is liable to pay in accordance with an order of court, provided such **Claim** was first made during the **Policy Period**.

Any costs and expenses incurred by a shareholder under this Extension shall be considered as **Loss** for the purposes of applying any **Exclusion**.

The **Insurer** shall not unreasonably withhold its consent to the incurring of costs and expenses under this Extension.

16. Spouses

If a **Claim** against an **Insured Person** includes a **Claim** against the **Insured Person's Spouse** solely by reason of;

- (i) such **Spouse's** legal status as a **Spouse** of the **Insured Person**; or
- (ii) such **Spouse's** ownership interest in property which the claimant seeks as recovery for **Claims** made against the **Insured Person**,

all **Loss** which such **Spouse** becomes legally obliged to pay by reason of such **Claim** shall be treated for the purposes of this **Policy** as **Loss** which the **Insured Person** becomes legally obliged to pay on account of the **Claims** made against the **Insured Person**.

All terms and conditions of this **Policy**, including without limitation the **Retention**, applicable to **Loss** incurred by such **Insured Person** in the **Claim** shall also apply to such spousal **Loss**. This coverage does not apply to the extent the **Claim** alleges any **Wrongful Act** or omission by the **Insured Person's Spouse**.

D. Directors & Officers Exclusions

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

I. Insured vs Insured Exclusion (USA Claims)

in respect of any **USA Claim** made or instigated against an **Insured Person** (whether in the name of the **Company** or not) by another **Insured Person**, provided that this Exclusion (Insured vs Insured Exclusion (USA Claims)) shall not apply to:

- (a) any **Claim** brought by any **Insured Person** solely for a contribution or indemnity in respect of a **Claim** brought against such other **Insured Person** and which is otherwise covered under this **Policy**;
- (b) any **Claim** brought by an **Insured Person** who, at the date of instigating such **Claim**, is a former **Director**, **Officer** or **Employee** of the **Company**;
- (c) any **Claim** brought in the name of the **Company** as a shareholders' derivative action, provided that such **Claim** is not solicited or assisted by any **Insured Person**; or

- (d) any **Claim** brought in the name of the **Company** by a liquidator, administrator, administrative receiver or receiver, provided that such **Claim** is not solicited or assisted by any **Insured Person**;
- (e) **Defence Costs**.

II. CORPORATE LIABILITY

A. Corporate Liability Insuring Clause

The **Insurer** shall pay, on behalf of the **Company**, **Loss** arising from **Claims** first made during the **Policy Period**.

B. Corporate Liability Limit of Liability

The **Limit of Liability** purchased as provided under II. Corporate Liability in the **Policy Schedule** shall be the maximum aggregate liability of the **Insurer** for **Loss** arising from all **Claims** and all **Related Claims** first made during the **Policy Period** or any applicable **Discovery Period**. For the avoidance of doubt a separate aggregate **Limit of Liability** shall apply to this **Policy Section**.

- (i) The **Limit of Liability** shall not apply separately for each **Insured**.
- (ii) The **Insurer's** liability for **Loss** sustained or **Loss** arising out of any one **Claim** and all **Related Claims** sustained by any or all **Insureds** shall not exceed the amount for which the **Insurer** would have been liable had all such **Loss** been suffered by any one **Insured**.

C. Corporate Liability Extensions

The maximum liability of the **Insurer** during the **Policy Period** under each Extension shall be subject to the maximum aggregate limit as detailed in B. Corporate Liability Limit of Liability unless specified otherwise below:

The **Insurer** shall pay on behalf of the **Company**:

1. Contractual Liability Defence Costs

Defence Costs arising from or in connection with a **Wrongful Act**.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

2. Corporate Manslaughter / Homicide Act 2007

The **Insurer** shall pay that part of **Loss** on behalf of any **Insured** which relates to **Defence Costs** only subject to the aggregate **Sub-Limit** specified in the **Policy Schedule** incurred by any **Insured** in respect of any criminal proceedings relating to corporate manslaughter (or other similar or equivalent criminal offence in any jurisdiction in which the **Company** operates) resulting from a **Wrongful Act** or **Investigation**.

For the purposes of this Extension, **Defence Costs** shall not include costs relating to any publicity or remedial orders imposed by any court (or similar or equivalent judicial remedial or punitive measure

imposed in any jurisdiction in which the **Company** operates).

3. Emergency Costs and Expenses

In the event that the **Insured** are unable to reasonably obtain the **Insurer's** prior written consent to incur **Defence Costs** the **Insurer** shall retrospectively approve such costs, less any applicable **Retention**, provided such costs are notified to the **Insurer** as soon as possible after they are incurred.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 5% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £50,000.

4. Pollution

The **Insurer** shall pay that part of the **Loss** which relates to **Defence Costs** only on behalf of any **Insured**, incurred by any **Insured** in defending themselves against criminal or regulatory proceedings in respect of **Pollution** of any kind which results from a **Wrongful Act**. This Extension shall not apply to any **USA Claim**.

5. Social Media Public Relations Consultancy Fees

The **Insurer** shall pay the reasonable costs and expenses for **Public Relations Consultancy Fees** incurred by a **Company** directly to mitigate the adverse effect or potentially adverse effect on that **Company's** reputation due to negative publicity regarding alleged business practices posted on internet based social media platforms or websites.

The maximum liability of the **Insurer** during the **Policy Period** under this Extension shall be the lesser of 10% of the **Limit of Liability** or the maximum aggregate **Sub-Limit** of £100,000.

The **Insurer** shall not unreasonably withhold its consent to the incurring of costs and expenses under any of the above Extensions.

D. Corporate Liability Exclusions

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

1. Contractual Liability

for any actual or alleged contractual liability of any **Company** under any express, oral, written or implied contracts or agreements provided, however; that this Exclusion shall not apply in respect of such **Defence Costs** provided by Extension C.1. Contractual Liability Defence Costs;

2. Employment Wrongful Act

for any actual or alleged liability relating to or arising out of in any way an **Employment Wrongful Act**;

3. Pension Trusteeship or Administration

directly or indirectly based on, arising out of, or in any way involving the trusteeship or administration by any **Insured** of any pension plan, programme or

scheme or other employee benefit programme or any **Insured** acting in a fiduciary capacity in respect thereof, including any obligation incurred under the Pensions Act 1995, Pensions Act 2004, or for any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (USA) or any regulations promulgated there or within any similar or equivalent law or regulation, provided that this Exclusion shall not apply to **Loss** arising from a **Claim** for **Retaliation**.

4. Pollution

directly or indirectly based on, arising out of, or in any way involving:

- (a) **Pollution**;
- (b) any direction or request that any **Insureds** test for; monitor; clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so, including without limitation any claim for financial loss to the **Company**, its shareholders, bondholders or its creditors based on, arising out of, or in any way involving the matters described in this Exclusion.

5. Professional Services

arising out of **Professional Services** undertaken by or on behalf of the **Company**.

6. Unfair Trade Practices

for any actual or alleged violation of any law, whether statutory, regulatory or common law, with respect to any of the following activities: anti-trust, business competition, unfair trade practices or tortious interference in another's business or contractual relationships.

7. Workers Compensation

for any actual or alleged liability relating to workers compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, retirement benefits, social security benefits, pension benefits or any similar law or obligation whatsoever.

4. a natural person at work (whether self employed or employed by an organisation other than the **Company**) provided such natural person is providing services to the **Company** on premises owned and occupied by the **Company**;
5. (in respect of an **Investigation**) the Equal Opportunities Commission, the Commission for Racial Equality, the Disability Rights Commission or any other officially recognised regulatory, professional, or trade body, or any similar or equivalent body.

However, the **Insurer** shall not be liable for **Loss** arising out of any **USA Claim** for an **Employment Wrongful Act**.

B. Employment Practices Limit of Liability

The **Limit of Liability** purchased as provided under Employment Practices Liability in the **Policy Schedule** shall be the maximum aggregate liability of the **Insurer** for **Loss** arising from all **Claims** and all **Related Claims** first made during the **Policy Period** or any applicable **Discovery Period**. For the avoidance of doubt a separate aggregate **Limit of Liability** shall apply to this **Policy Section**.

- (a) The **Limit of Liability** shall not apply separately for each **Company**;
- (b) The **Insurer's** liability for **Loss** sustained or **Loss** arising out of any one **Claim** and all **Related Claims** sustained by any or all **Companies** shall not exceed the amount for which the **Insurer** would have been liable had all such **Loss** been suffered by any one **Company**.

C. Employment Practices Liability Exclusions

I. Exclusions applicable to all Loss

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

(a) Pension Trustee Liability

directly or indirectly based on, arising out of or in any way involving the trusteeship or administration by an **Insured** of any pension, profit share or other employee benefit programme or an **Insured** acting in a fiduciary capacity in respect thereof including any obligation incurred under the Pensions Act 1995 or Pensions Act 2004;

(b) Strikes, Collective Redundancies, Labour Disputes

directly or indirectly based on, arising out of or in any way involving any **Claim** incurred as a result of strikes, obligations to consult representatives and employees in relation to collective redundancies, lockouts, trade union disputes, labour disputes or negotiations or other similar actions including but not limited to disputes in respect of recognition;

III. EMPLOYMENT PRACTICES LIABILITY

A. Employment Practices Liability Insuring Clause

The **Insurer** shall pay, on behalf of the **Company**, **Loss** arising from **Claims** first made during the **Policy Period** for **Employment Wrongful Acts** against the **Company** where such **Claim** is brought by:

1. an **Employee** or prospective **Employee**;
2. a partner or prospective partner of the **Insured**;
3. a director; non-executive director or officer or prospective director; prospective non-executive director or prospective officer of any **Company**;

(c) **Violation of Health & Safety, Workers' Compensation or Similar Law**

directly or indirectly based on, arising out of or in any way involving an actual or alleged violation of the responsibilities, obligations or duties imposed by any law governing health and safety, workers' compensation, unemployment insurance, social security, disability benefits or similar law

provided however that Exclusions C.1.(b), and C.1.(c) above shall not apply, and cover shall be provided under Employment Practices Liability Insuring Clause, where a **Claim** relates to any actual or alleged **Retaliatory** treatment of the claimant by the **Company** arising from the claimant's exercise of rights in accordance with any of the regulations or activities set out in Exclusions C.1.(b).

2. **Exclusions Applicable to Loss, Other Than Defence Costs**

The **Insurer** shall not be liable for **Loss** other than **Defence Costs**, directly or indirectly based on, arising out of, or in any way involving:

(a) **Accommodation for Disabled Persons**

costs incurred by the **Company** to make any reasonable accommodation for any disabled person in respect of working practices or otherwise;

(b) **Breach of Employment Contract, Breach of Minimum Wage Legislation for Benefits Due to Employees**

Liability for:

- (i) payment of wages or any other form of payment due under a contract of employment or otherwise, (including compensation payable in respect of contractual or statutory notice periods and contractual or statutory payments due on redundancy) or liability for awards of damages for breach of, or for the payment of a debt under; an **Employee's** contract of employment, provided that this Exclusion shall not apply to the extent that any breach of an **Employee's** contract of employment relates to a breach of any disciplinary or grievance procedures or equal opportunities policy;
- (ii) repayment of deductions wrongfully made from salary, wages or **Benefits** or from any other form of payment due under the contract of employment;
- (iii) breach of any obligation in accordance with any minimum wage legislation, save that this Exclusion shall not apply, and cover shall be provided under Insuring Clause A. Employment Practices Liability Insuring Clause, where a **Claim** relates to any actual or alleged **Retaliation** in connection with such breach; or

(iv) payment of **Benefits** due to an **Employee** from the **Insured** or otherwise or to become due or the equivalent value of such **Benefits**, provided that this Exclusion shall not apply to the extent that such **Loss** relates to a **USA Claim** and:

- (a) constitutes the value of any actual or alleged wrongfully denied family or medical leave; or
- (b) is on account of any **Claim** for actual or alleged wrongful dismissal, discharge or termination of employment.

IV. POLICY EXCLUSIONS**A. Exclusions applicable to all Insuring Clauses**

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

1. **Bodily Injury/Property Damage**

for bodily injury, mental anguish or emotional distress, illness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof.

2. **Dishonesty or Illegal Profits**

directly or indirectly based on, arising out of, or in any way involving:

(a) **Fraud or Dishonesty**

any dishonesty or fraud found by way of any judgment or other final adjudication to have been committed by any **Insured**;

(b) **Illegal Profit or Advantage**

any **Insured** found by way of judgment or other final adjudication to have gained any profit or advantage or to have received any remuneration to which he was not legally entitled.

The provisions of Claims Condition B. Allocation shall apply to this Exclusion to the extent that the application of this Exclusion shall establish that **Defence Costs** are not covered under this **Policy**.

3. **Prior Knowledge of Fact, Circumstance or Situation**

directly or indirectly based on, arising out of, or in any way involving any fact, **Circumstance** or situation:

- (a) which has been or should have been the subject of any written notice given under any **Policy** of which this **Policy** is a direct or indirect renewal or replacement; or
- (b) alleged in, relating to or underlying any written demand for monetary damages or other relief or any civil, criminal or administrative or regulatory proceeding (including arbitration) pending on or prior to the **Original Inception Date**;

B. Severability of Exclusions

No fact pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Insured** for the purposes of applying any Exclusions.

V. POLICY CONDITIONS

A. Acquisition or Creation of Subsidiary

- (a) Subject to Policy Condition A. (b), if any **Company** creates or acquires, during the **Policy Period**, a new **Subsidiary** (either directly or indirectly), the new **Subsidiary** shall be automatically covered under this **Policy** in relation to **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Company** subject to the provisions of Policy Condition A.(c).

The **Company** shall not have to provide the **Insurer** with any particulars of the new **Subsidiary** until the next renewal date following creation or acquisition of the **Subsidiary**, provided always that if such new **Subsidiary** employs any person in **USA**, then the provisions of Directors and Officers Exclusion D. I. shall apply.

- (b) Automatic coverage in accordance with Policy Condition A.(a) above shall not apply where a new **Subsidiary** created or acquired by any **Company**:
- (i) has gross consolidated assets that increase the gross consolidated assets of the **Company** by more than fifty per cent (50%) (by reference to the **Company's** most recent consolidated annual accounts); or
 - (ii) is a **Financial Institution**; or
 - (iii) has any of its **Securities** listed on any exchange; or
 - (iv) is situated outside of the **United Kingdom** and in a country in which the **Company** does not already hold a **Subsidiary**; or
 - (v) has increased the number of **Employees** by more than 50% in the **Policy Period**.
- (c) If any **Company** acquires or creates a **Subsidiary** that falls within the parameters specified in Extension A.(b), then cover shall be extended to such new **Subsidiary** in relation to **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Company**, provided that, and as a condition precedent to such cover being provided, the **Policyholder**:
- (i) gives the **Insurer** written notice of any such creation or acquisition as soon as possible, together with such additional information as the **Insurer** may require;
 - (ii) accepts any notified alteration in the terms of this **Policy**; and
 - (iii) pays any additional premium required by the **Insurer**.

Subject to these conditions precedent having been met, the **Insurer** shall include the new **Subsidiary** within the scope of this **Policy** by way of endorsement.

The **Insurer** shall have no liability under Policy Condition A.(c). in respect of any matter which the **Insured** does not notify to the **Insurer** in accordance with the requirements of this Clause. The **Insurer** may consider the provision of retroactive cover for any new **Subsidiary** in respect of **Wrongful Acts** committed or alleged to have been committed prior to the date of any such acquisition or creation upon specific request.

If the **Insurer**, at its absolute discretion, agrees to provide such cover it shall be recorded by way of endorsement.

B. Alteration and Assignment

No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by written endorsement to this **Policy** and issued by the **Insurer**.

C. Acquisitions Prior to the Policy Period

If a new **Subsidiary** has been acquired by the **Company** prior to the **Policy Period**, such **Subsidiary** shall be covered under this **Policy** only for **Loss** in relation to **Wrongful Acts** committed or alleged to have been committed after the date on which such **Subsidiary** was acquired by the **Company**, and committed during the **Policy Period**.

D. Arbitration

Any dispute arising out of or in connection with this **Policy** shall be referred to a sole arbitrator, who shall be a Queen's Counsel specialising in insurance law. The sole arbitrator shall be appointed by agreement between the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council. The arbitration shall be held in London and in the English language.

E. Authorisation Clause

It is a condition of this **Policy** that the **Policyholder** shall act on behalf of all **Insureds** with respect to the giving and receiving of notice of any **Claim** or **Circumstance**, 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** (except the giving of notice to apply for the **Discovery Period**), and the **Insureds** agree that the **Policyholder** shall so act on their behalf.

F. Consumer Credit Termination Clause

The **Insurer** reserves the right to terminate this **Policy** in the event that there is a default in instalment payments due under any linked loan agreement.

G. Defence Costs

Defence Costs incurred by the **Insurer**, or by the **Insured** with the written consent of the **Insurer**, are part of and not in addition to the applicable **Limit of Liability** and the payment by the **Insurer** of **Defence Costs** reduces such **Limit of Liability**.

H. Discovery Period

The purchase of any **Discovery Period** shall not increase or reinstate the applicable **Limit of Liability**, which shall be the **Insurers** maximum liability for the **Policy Period** and **Discovery Period**, combined.

The **Insured Persons** or the **Policyholder** shall be entitled to elect a **Discovery Period** on the terms set out below if:

- (a) the **Insurer** declines to offer any terms for renewal of this **Policy**; or
- (b) the **Policyholder** makes a specific written request to the **Insurer** for such **Discovery Period**, which is accepted by the **Insurer**.

The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute the **Insurer** declining to renew.

The standard terms of the **Discovery Period** shall be 12 months for one hundred per cent (100%) of that part of the **Full Annual Premium** payable in respect of this **Policy**.

Options to purchase up to 72 months may be available but shall be at the **Insurers** sole discretion.

The application to elect any **Discovery Period** must be received by the **Insurer** within 30 days of the expiry of the **Policy Period**, and payment of the premium, if applicable, must be made within 30 days of the expiry of the **Policy Period** (such premium being non-refundable). For the avoidance of doubt, any time delay between the expiry of the **Policy Period** and the election of any **Discovery Period** shall be part of and not in addition to the **Discovery Period** elected.

If a **Merger** takes place, the **Policyholder** shall not be entitled to purchase a **Discovery Period** on the terms set out in this Extension, however the **Policyholder** within 30 days of the expiry of the **Policy Period** may request a quotation from the **Insurer** for a **Discovery Period**. The **Insurer** shall consider such request and may, at its absolute discretion, offer a **Discovery Period** on such terms as the **Insurer** may reasonably consider appropriate.

During the 30 day application period referred to above and during any **Discovery Period** and without prejudice to VI. Claims Condition A.2., the **Insured Persons** and the **Policyholder** may continue to notify **Claims** to the **Insurer** but only in respect of **Wrongful Acts** committed prior to the expiry of the **Policy Period**.

I. Financial or Trade Sanctions

The **Insurer** shall not provide coverage, or indemnity or be liable to provide any indemnity or payment or other benefit under this **Policy** if and to the extent that doing so would violate or breach any prohibition or restriction imposed by law, sanction or regulation.

If any such prohibition or restriction takes effect during the **Policy Period** the **Policyholder** or the **Insurer** may cancel that part of this **Policy** which is prohibited or restricted with immediate effect by giving written notice to the **Policyholder**.

Subject to any applicable minimum premium payment requirements the **Insurer** shall after such cancellation refund a proportionate amount of the premium for the unexpired **Policy Period** provided that

- (a) no circumstances that could reasonably be considered as being likely to give rise to a claim under the **Policy** have been notified to the **Insurer** by the **Insured** and
- (b) no claims have been paid by the **Insurer** or have accrued and are outstanding awaiting payment in respect of such claims

prior to the date on which such prohibition or restriction took effect.

J. Interpretation of Legal References

Any legal references within this **Policy** shall include any equivalent legal provision in the jurisdiction of ordinary residence of the **Policyholder** or location of the risk insured, provided that such jurisdiction falls within the territorial scope of this **Policy**.

K. Law Applicable

Under the laws of the **United Kingdom** (England, Scotland, Wales and Northern Ireland) both parties may choose the law which applies to this contract, to the extent permitted by those laws. Unless the parties agree otherwise in writing the **Insurer** has agreed with the **Insured** that the law which applies to this contract is the law which applies to the part of the **United Kingdom** in which the **Insured** is based or if the **Insured** is based in the Channel Islands or the Isle of Man the law of whichever of those two places in which the **Insured** is based.

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the **United Kingdom** in which the **Insured** is based or if the **Insured** is based in either the Channel Islands or the Isle of Man the courts of whichever of those two places in which the **Insured** is based.

L. Partial Invalidity

Should any provision of this **Policy** be, or become, invalid or unenforceable in accordance with the law to which this **Policy** is subject, such provision shall be deemed to be deleted and all other terms and conditions of this **Policy** shall remain in full force and effect.

M. Proposal, Severability and Waiver of Rights**I. Proposal**

- (a) In granting coverage under this **Policy** the **Insurer** has relied upon the statements, representations and declarations in the **Proposal** and it is agreed that the **Proposal** shall form the basis of and is incorporated into the **Policy**.

- (b) The **Insureds** shall not conceal or misrepresent any material fact or circumstance when completing the **Proposal**.

2. Severability

- (a) Other than with respect to sub-section 2.(b) below, the **Proposal** shall be construed as a separate application for cover by each of the **Insureds** with respect to the statements, representations and declarations contained therein. No fact relating to, or statement of, or knowledge possessed by, any **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of cover.
- (b) The **Insureds** agree that in the event that any statements or representations made in the **Proposal** are inaccurate or incomplete, the **Insurer** shall be entitled to avoid the relevant Insuring Clause with respect to any of the following **Insureds**:
 - (i) any natural person **Insured** or any **Executive Officer** of the **Insured** who knew the facts that were not fully and accurately disclosed in the **Proposal**; or
 - (ii) any **Insured** that is a corporation, partnership or sole trader; where any partner, **Member** or principal respectively who knew the facts that were not fully and accurately disclosed in the **Proposal**.

3. Waiver of Rights

The **Insurer** confirms that this **Policy** will not be rescinded for any misrepresentation or non-disclosure however; in the event of any such misrepresentation or non-disclosure then any **Insured Persons** who knew of such misrepresentation or non-disclosure shall have no cover under this **Policy**. Furthermore no cover will be provided for the **Company** where the **Company** has a requirement, legally or otherwise, to indemnify such **Insured Persons** whom had such knowledge of misrepresentation or non-disclosure.

N. Retentions

- (a) The **Insurer's** liability under this **Policy** for **Loss** arising from any single **Claim** and all **Related Claims** shall apply only to that part of such **Loss** which is excess of the applicable **Retention** stated in this **Policy Schedule**. The **Insured** shall bear at their own risk the amount of any applicable **Retention** in respect of each and every **Claim** and **Related Claim**.
- (b) Any **USA Retention** (if applicable) shall apply to each and every **USA Claim**.
- (c) If the **Company** is permitted or required to indemnify the **Insured Persons** in respect of any **Loss** suffered by them but fails to do so, the **Insurer** shall pay such **Loss** directly to the **Insured Persons** on behalf of the **Company**, provided that the **Company** shall be liable to pay any applicable **Retention**.

- (d) Any **Retention** borne by an **Insured** in respect of any **Claim** shall be reimbursed by the **Insurer** if final judgment or adjudication is given in favour of an **Insured** by a court or tribunal of competent jurisdiction. For the purposes of this condition, final judgment or adjudication shall only be adjudged to have been given when all rights of appeal to higher courts or tribunals have been foregone or exhausted.
- (e) Any **Retention** does not form part of the **Limit of Liability** and it shall be payable by the **Insured** before the application of the **Limit of Liability**.

O. Territory

Unless otherwise endorsed, cover under this **Policy** shall extend worldwide.

P. Third Party Rights

A person who is not a party to this **Policy** has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this **Policy** but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Q. Transactions Changing Coverage

I. Acquisition, Merger or Winding Up of the Policyholder

Unless otherwise agreed in writing by the **Insurer**, this **Policy** shall terminate for all **Insureds** upon:

- (a) the acquisition of the entire issued share capital of the **Policyholder** or of all or substantially all of its assets, by another entity, or the **Merger** or consolidation of the **Policyholder** into or with another entity such that the **Policyholder** is not the surviving entity; or
- (b) the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate at least 50% of the directors of the **Policyholder**; or
- (c) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of the **Policyholder**;
- (d) winding-up of the **Policyholder** (but not, for this purpose, any **Subsidiary**).

Following termination, the **Policyholder** may continue to notify **Circumstances** during the **Policy Period** or **Discovery Period** or **Circumstances** or **Claims** first made against the **Insured** during the **Policy Period** provided that:

- (i) cover shall only apply to **Loss** or that part of any **Loss** occurring prior to the event described in (a) or (b) above; and

- (ii) this **Policy** has not been replaced by a similar policy of insurance issued by the **Insurer** or by another insurer irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

2. Disposal or Winding Up of Subsidiary Companies

Unless otherwise agreed in writing by the **Insurer**, this **Policy** shall terminate for a **Subsidiary** upon;

- (a) the appointment of a liquidator; provisional liquidator; receiver; administrative receiver; supervisor; trustee, or other similar insolvency appointee or fiduciary in respect of such **Subsidiary**; or
- (b) falling outside of the definition of **Subsidiary**.

Following termination, the **Policyholder** may continue to notify **Circumstances** or **Claims** first made against the **Insured** during the **Policy Period** provided that cover shall only apply to **Loss** or that part of **Loss** occurring prior to the event described in (a) or (b) above.

VI CLAIMS CONDITIONS

A. Claims Notification

1. The **Policyholder** shall give to the **Insurer** written notice as soon as possible after receipt of notice of any **Claim** or after the **Policyholder** becomes aware of any **Circumstances** and in any event notice shall be given to the **Insurer**:
 - (a) during the **Policy Period** or any applicable **Discovery Period**; or
 - (b) (in respect of any **Claim**) within 60 days after the end of the **Policy Period** or any applicable **Discovery Period**

except in respect of any **Director** or **Officer**, who may in the event that the **Policyholder** fails or refuses to give notice under Claims Condition A.1, give written notice of a **Claim** direct to the **Insurer**, however all other terms and conditions of Claims Condition A.1 shall otherwise apply.

2. Notification of any **Claim** or **Circumstance** must be sent to the **Insurer** at the Claims Department, Professional & Financial Risks, St Mark's Court, Chart Way, Horsham, West Sussex RH12 1XL for the attention of the Professional & Financial Risks Claims Manager. Each notification shall so far as possible provide full details of the **Claim** or **Circumstance** including, but not limited to:
 - (a) the identity of the claimant or potential claimant;
 - (b) the nature of the **Claim**;
 - (c) the likely quantum of the **Claim**; and

- (d) the **Policyholder's** preliminary views (if any) on the merits of such **Claim** and the **Policyholder** shall provide the **Insurer** with such further information and documentation (where appropriate documentation includes evidence of invoices, receipts, proof of payments and the like) as it may reasonably require.

3. Any **Claim** arising from any notification of **Circumstances** shall be deemed to have been made in the **Policy Period** (including any applicable **Discovery Period**) in which the **Circumstances** were first notified to the **Insurer**.

B. Allocation

1. If an **Insured** incurs both **Loss** covered by this **Policy** and **Loss** not covered by this **Policy** (either because a **Claim** is made against both **Insured Persons** and the **Company** or because a **Claim** includes both **Loss** which is covered and that which is not) the **Insurer** shall negotiate in good faith with the **Insured** to determine a fair and reasonable allocation of the **Loss** taking into account the relative legal exposures of the parties with respect to covered and uncovered **Loss**.

Whilst the **Claim** is ongoing the **Insurer** shall advance all **Defence Costs** whilst any **Insured Persons** are named in such action, such **Defence Costs** will not be included in any allocation of the **Loss**.

2. If the **Insured** and the **Insurer** cannot agree on an allocation in respect of **Loss**, the **Insured** and the **Insurer** agree to submit the issue of allocation to a Queen's Counsel, (whose identity shall be agreed between the parties and failing agreement within 30 days of one party receiving written notice of a nomination being made by the other party, shall be chosen by the Chairman for the time being of the Bar Council) whose decision shall be binding. The Queen's Counsel shall be directed to apportion all costs of the determination and shall act as an expert and not as an arbitrator.
3. All references to Queen's Counsel in this **Policy** include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status. Reference to the Chairman for the time being of the Bar Council or his nominee include, where proceedings have been commenced in jurisdictions outside England and Wales, a similar or equivalent appointee.

C. Defence and Cooperation

1. The **Insurer** shall have the right but is not obliged to conduct in the name of the **Insured** the defence and settlement of any **Claim** covered by this **Policy**, and to appoint lawyers or other representatives for this purpose even if any of the allegations against the **Insured** are groundless, false or fraudulent. The **Insurer's** right to defend shall cease upon exhaustion of the **Limit of Liability** applicable to this **Policy**.

2. With respect to any **Claim** or **Circumstance** notified:

- (a) the **Insured** shall execute all papers required and shall do everything necessary to defend such **Claim** and provide the **Insurer** with all information, documentation, assistance and co-operation as the **Insurer** reasonably requests; and
- (b) the **Insurer** shall advance **Defence Costs** excess of any applicable **Retention**, provided that if and to the extent it is finally established that any such **Defence Costs** are not covered under this **Policy**, the **Insureds**, severally according to their interests, hereby agree to repay the **Insurer** such non-covered **Defence Costs**.

3. The **Insured** shall not 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. The **Insurer** shall not be liable for, and any applicable **Retention** shall not be depleted or exhausted by, any settlement, **Loss** or **Defence Costs**, assumed obligation or admission to which the **Insurer** has not consented.

The **Insurer** shall not unreasonably withhold any consent referred to in Claims Condition C.3.

4. The **Insured** agrees that in the event of a **Claim** the **Insured** shall do nothing that shall prejudice the **Insurer's** position or its potential or actual rights of recovery. The **Insured** shall at all times use reasonable endeavours to do, and concur in doing, all such things as are reasonably practicable to avoid or diminish any **Loss** and to assist with the defence or settlement of any **Claim**. The **Insurer** may make any investigation it deems necessary.

Reasonable endeavours in this context shall include self reporting to any regulator an actual or suspected material breach of a **Company's** or an **Insured Person's** legal or regulatory duties where the **Company** or **Insured Person** is required to give notice of such an actual or potential breach. The cost of any such steps will constitute **Defence Costs**. For the avoidance of doubt, any self reporting shall not constitute an admission of liability with regard to any **Claim**.

D. Disputes as to Contesting Legal Proceedings

1. Subject to the provisions of Claims Condition D.2., in the event of a disagreement arising between the **Insurer** and the **Insured** as to whether or not to contest or settle legal proceedings or proceed with appeals, the issue shall be remitted to a Queen's Counsel whose decision on the probability of successfully defending the **Claim** or the acceptability of the proposed terms of settlement or the probability of succeeding on appeal shall be final. The identity of such Queen's Counsel shall be agreed by the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council.

2. In the event that Queen's Counsel or Junior Counsel is instructed in connection with the defence of a **Claim**, the parties shall submit any issue between them to the said Counsel as to whether or not to contest or settle legal proceedings or proceed with appeals.

3. Any appointment under the provisions of Claims Condition D. shall be as expert and not as arbitrator.

4. The costs of the said expert determination shall be deemed to form part of the **Defence Costs**.

5. All references to Queen's Counsel and Chairman of the Bar Council include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status or equivalent appointee.

E. Other Insurance

This **Policy** shall be specifically excess of any other valid and collectible insurance (including but not limited to any insurance which is stated to be primary, contributory, excess, contingent or otherwise), unless such other insurance is specifically excess of this **Policy**.

If at the time of **Loss** there is any other insurance effected by or on behalf of any **Insured** covering the same **Loss** as covered by this **Policy**, the liability of the **Insurer** for **Loss** under this **Policy** will be limited to its rateable portion of such **Loss**, subject always to the **Limit of Liability** and appropriate Extensions.

For the avoidance of doubt, a **Loss** which is covered partly by this **Policy** and partly by another policy (including policies of which this is a renewal) issued by the **Insurer** to the **Insured** for which any previous applicable **Discovery Period** has not expired, shall be limited to the larger amount of cover under the previous policy or this **Policy** and shall on no account be cumulative.

F. Related Claims

All **Related Claims** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period** or the **Discovery Period**.

G. Subrogation and Recoveries

1. In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery. The **Insured** shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable the **Insurer** effectively to bring proceedings in the name of the **Insured**.
2. Provided however that in no event shall the **Insurer** exercise its rights of subrogation against an **Insured Person** except where such **Insured Person** has been fraudulent, committed a criminal act or obtained any profit or advantage to which the **Insured Person** was not legally entitled.

3. All recoveries obtained by the **Insured** from other parties shall be allocated, after the settlement of any **Claim** under this **Policy** as follows:

- (a) firstly, to the benefit of the **Insured** to reduce or extinguish the amount of the **Insured's Loss** to the extent that it would have been paid under this **Policy** but for the fact that such **Loss** exceeds the **Limit of Liability** together with any **Retention** where applicable;
- (b) secondly, to the benefit of the **Insurer** for all sums paid in settlement of **Loss** arising under this **Policy**;
- (c) thirdly, to the benefit of the **Insured** for the amount of the **Retention** under this **Policy**.

All recoveries shall be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any **Claim** under this **Policy** shall be held for the benefit of the **Insurer** and applied as stated herein after settlement if any is made.

H. Disposal of Claims

In connection with any **Claim** against the **Insured** the **Insurer** may at any time pay to the **Insured** the **Limit of Liability** (after deduction of any sums already paid) or less any amount for which such **Claim** can be settled and thereupon the **Insurer** shall relinquish the control of such **Claim** and be under no further liability.

VII POLICY DEFINITIONS

When used in this **Policy**:

- A. **Benefits** means perquisites, fringe benefits, amounts due or payments made in connection with an employee benefit plan or pension scheme, share or stock options or any other right to purchase, acquire or sell shares or stock, and any other obligation or payment, made to or for the benefit of an **Employee** other than salary (including bonus) or wages.
- B. **Circumstance** means an incident, occurrence, fact, matter, act or omission which is likely to give rise to a **Claim** under this **Policy**.
- C. **Claim** means:
 1. service of a Claim Form, counterclaim, **Related Claim**, Application notice, Notice of appeal, Witness summons or similar legal document including an application for any related injunction served upon any **Insured** in respect of a **Wrongful Act**;
 2. any arbitration proceeding or request to nominate an arbitrator served upon any **Insured** in respect of a **Wrongful Act**;
 3. any written communication (including electronic communications), whether or not containing a demand for compensation or damages, received by any **Insured** threatening commencement of proceedings in respect of a **Wrongful Act**, and any written demand against any **Insured Person** for monetary damages, reinstatement or other non-monetary relief;

4. any criminal prosecution of an **Insured Person** resulting from a **Wrongful Act**;
5. any notice of an **Investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document:
 - (a) into the affairs of the **Company** or the affairs of an **Outside Entity** as provided in Directors & Officers Liability Extension C.11 and where an **Insured Person** is required to attend or give evidence; or
 - (b) involving a **Wrongful Act** alleged to have been committed by an **Insured Person** or in respect of which an **Insured Person** is required to attend or give evidence by reason of his acting in the capacity of a **Director** or **Officer**;
6. proceedings brought against any **Insured Person** during the **Policy Period** by any **Official Body** seeking:
 - (a) extradition of an **Insured Person** where the allegations from which the extradition proceedings result arise from a **Wrongful Act** by reason of his acting in the capacity of a **Director** or **Officer**
 - (b) confiscation, assumption or ownership and control, suspension or freezing of rights of ownership of real property or personal assets of any **Insured Person**;
 - (c) a charge over real property or personal assets of such **Insured Person**;
 - (d) a temporary or permanent prohibition on such **Insured Person** from holding the **Insured Person** from performing the function of a director or officer of the **Company**;
 - (e) restriction of such **Insured Person's** liberty to a specified domestic residence or an **Official Detention**;
 - (f) deportation of an **Insured Person** following revocation of otherwise proper, current and valid immigration status for any reason other than an **Insured Person's** conviction of a crime,

provided that such allegation is first made against, or received by, any **Insured Person** during the **Policy Period**.

- D. **Company** means the **Policyholder** and its **Subsidiaries**.
- E. **Defence Costs** means that part of **Loss** consisting of reasonable and necessary costs, charges, fees including but not limited to lawyers' and agents' fees and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Directors**, **Officers** or **Employees** of the **Company**) incurred by the **Insurer** or (with the **Insurer's** prior written consent) the **Insured**:
 1. in defending, investigating or settling **Claims** or assisting the **Insurer** in investigating, defending or settling **Claims** (including the premiums paid for any insurance instruments or bonds which may be required in certain jurisdictions to institute an appeal or enter an appearance but without any obligation to apply for or furnish any such insurance instruments or bonds);

2. in respect of the attendance or giving of evidence by any **Insured Person** at an **Investigation** into the affairs of the **Company** or the affairs of an **Outside Entity** as provided in Directors & Officers Liability Extension C.11; or
3. in respect of any **Investigation** involving a **Wrongful Act** alleged to have been committed by an **Insured Person** or relating to which an **Insured Person** is required to attend or give evidence by reason of his acting in the capacity of a **Director** or **Officer**.
- F. Deprivation of Assets Expenses** shall mean the payment of the following services directly to the provider of such services in the event of an interim or interlocutory order confiscating or suspending rights of ownership over personal assets or real property of the **Insured Persons** during the **Policy Period**:
- (a) Schooling
 - (b) Housing
 - (c) Utilities
 - (d) Personal Insurances
- Such expenses shall only be payable provided a personal allowance has been directed by the court to meet such payments and such personal allowance has been exhausted.
- G. Director** means any natural person who was, is, or becomes:
1. a **Director** of the **Company** including a shadow **Director** (as defined under section 251 of the Company 2006 Act or any equivalent provision in the jurisdiction in which the **Company** is incorporated) including any person named in any prospectus issued by the **Company** as a prospective Director; or
 2. a shadow Director of any **Company** directly as a result of his activities as a **Director** or **Officer** of the **Company**; or
 3. a **Member** of a Limited Liability Partnership as formed under the Limited Liability Partnership (LLP) Act 2000.
- Director** shall not include, without the **Insurer's** prior written consent, any **Insured Person** who ceases to be a **Director** or **Officer** prior to commencement of the **Policy Period** for the following reasons:
- (a) disqualification from holding the office of **Director**; or
 - (b) being dismissed from their position.
- H. Discovery Period** means the period immediately following the expiry of the **Policy Period** during which the **Policyholder** may continue to notify **Claims** or **Circumstances** but only in relation to **Wrongful Acts** committed prior to the expiry of the **Policy Period**. Any **Claim** made during the **Discovery Period** shall be deemed to have been made during the immediately preceding **Policy Period**.
- I. Employee** means any natural person who was, or is, or becomes during the **Policy Period**:
1. an employee of the **Company**, (which shall include trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) acting in such capacity; or
 2. seconded to the **Company** and acting in such capacity.
- J. Employment Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by any one or more **Insureds** in their capacities as such against any past, present or prospective Employee, **Director** or partner of the **Policyholder**, in connection with any actual or alleged:
1. wrongful, unlawful or unfair dismissal, discharge or termination of employment;
 2. breach of any written or oral employment contract or quasi-employment contract;
 3. employment-related misrepresentation;
 4. violation of employment discrimination laws (including sexual or other workplace harassment and discrimination on the grounds of racial or national origin, sex, sexual orientation, religion, maternity, pregnancy, age and disability);
 5. violation or non-compliance with legislation regulating working hours;
 6. wrongful failure to employ or promote;
 7. wrongful demotion;
 8. wrongful discipline;
 9. wrongful deprivation of a career opportunity;
 10. failure to grant tenure;
 11. failure to adopt adequate workplace or employment policies and procedures;
 12. **Retaliatory** treatment of whistleblowers and others;
 13. negligent evaluation;
 14. employment-related invasion of privacy;
 15. employment-related breach of data protection legislation;
 16. employment-related libel, slander, humiliation and defamation;
 17. failure to furnish accurate job references;
 18. employment-related wrongful infliction of mental anguish or emotional distress; or
 19. breach of any obligation which has been transferred to the **Company** by virtue of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the EC Acquired Rights Directive, save for any obligation which existed at or prior to the date of transfer.
- K. Financial Institution** shall mean any entity whose principal business activity is as a clearing bank, deposit/lending bank, building society, foreign exchange broker or trader, merchant bank, stockbroker, securities broker, commodity trader or broker, derivative trader or broker, hedge fund, insurance broker, insurance company (general or life), financial advisor (including independent financial advisors), asset management company, investment trust, Independent Saving Account, unit trust or other financial investment provider, credit provider or currency exchange operation or any other similar entity.

- L. Full Annual Premium** means the annual premium payable by the **Policyholder**, including any additional premium which becomes payable immediately prior to the expiry of the **Policy Period** in question.
- M. Identity** means publicly available data held by an official registry or any other party which relates to the formation and identity of the **Insured**, such data being relied upon by investors or vendors in establishing the financial standing and credit worthiness of the **Insured**.
- N. Insured** means:
1. the **Insured Persons**; and
 2. the **Company** or any **Subsidiaries**;
 3. the **Policyholder**
- declared to the **Insurer** prior to the commencement of the **Policy Period** or as acquired and created during the **Policy Period** under the terms of Policy Condition A. Acquisition or Creation of a Subsidiary.
- O. Insured Persons** means;
1. any natural person who was, is, or becomes during the **Policy Period**, a **Director**, manager or **Officer**; and
 2. any natural person falling within the definition of **Insured** in accordance with Definition G (Director) who is incompetent, incapacitated, bankrupt or deceased and against whose estates, heirs, executors or other legal representatives claims are being pursued which would, absent such incompetence, incapacity, bankruptcy or death be covered by the **Policy**.
 3. in connection with **Employment Wrongful Acts** only, any **Employee** of the **Company** or any natural person (whether self-employed or employed by an entity other than the **Company**) who is contracted to and supervised by the **Company** provided that:
 - (a) the contract between that person and the **Company** provides for the **Company** to indemnify that person in respect of any **Claim** and the **Company** has agreed to do so; and
 - (b) the **Insurer** agrees to provide such cover and each such individual is added to the **Policy Schedule** by written endorsement.
- P. Insurer** means Royal & Sun Alliance Insurance plc.
- Q. Investigation** means any formal or official investigation (other than the **Company's** own internal investigation), examination, dawn raids, site raids, regulatory interviews or other proceedings made or commenced during the **Policy Period** by a governmental body, professional body or other institution duly authorised to carry out such investigations.
- R. Limit of Liability** means the limit specified in the **Policy Schedule**. Any reference to **Limit of Liability** shall mean an aggregate limit for all **Claims** or **Loss** under each **Policy Section**, save for I. Directors & Officers Liability, as applicable.
- S. Loss**
1. Loss means
 - (a) damages, compensation, contributions, judgments or (if concluded with the **Insurer's** prior written consent) settlements;
 - (b) claimant's legal costs and expenses;
 - (c) punitive, exemplary and aggravated damages, except for:
 - (i) such damages awarded in respect of an **Employment Wrongful Act**;
 - (ii) such damages awarded in respect of any **USA Claim**;
 - (iii) that which is defined under Definition S.2 below.
 - (d) all other costs and expenses ordered by a court or other legally authorised tribunal, or incurred with the **Insurer's** prior written consent; and
 - (e) **Defence Costs**, in respect of a **Claim** made against, or received by, any **Insured**, jointly or severally;
 - (f) in respect of an **Employment Wrongful Act** only, the cost to the **Insured** of paying wages (but not **Benefits**) to an **Employee** for the period from the date of the purported dismissal or termination to the date on which the court or **Tribunal** of first instance delivered its judgment to the parties.

The **Insurer** shall advance **Defence Costs** in accordance with Claims Condition C (Defence and Cooperation)
 2. **Loss** and any **Defence Costs** associated therefrom, shall not include;
 - (a) taxes;
 - (b) fines except for as provided in Directors & Officers Liability Section C extension I;
 - (c) penalties except for as provided in Directors & Officers Liability Section C extension I;
 - (d) any other form of **Loss** which is uninsurable under the law of the state or country to which the **Claim** is subject;
 - (e) the multiple portion of any multiplied damage award;
 - (f) any amount which the **Insured** is not legally liable to pay; and
 - (g) in respect of an **Employment Wrongful Act** only:
 - (i) any amount not indemnified by the **Company** for which the **Insureds** are absolved from payment by reason of any covenant, agreement or court order;
 - (ii) the value of any share or stock options or any other right to purchase, acquire or sell shares or stock;
 - (iii) taxes, fines or penalties imposed by law or the multiple portion of any multiplied damage award;

- (iv) the cost of complying with any injunctive or other non-monetary relief or any agreement to provide any such relief; or
- (v) matters uninsurable under the law in accordance with which this Clause is construed or such **Claim** is adjudicated,

provided however that **Loss** shall include aggravated, punitive or exemplary damages to the extent such damages are insurable under the laws of the **United Kingdom**, Channel Islands or Isle of Man.

T. Member means a member of a Limited Liability Partnership as defined under the Limited Liability Partnership Act 2000.

U. Merger means the occurrence of either of the following events:

1. the **Policyholder** consolidating with or merging into or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
2. any person or entity, whether individually or together with any other person or entity, acquiring an amount of share capital representing more than fifty per cent. (50%) of the voting power for the election of **Directors** of the **Policyholder**, or acquiring the voting rights for such an amount of the shares.

V. Officer means:

1. any natural person who was, is, or becomes during the **Policy Period** an officer of the **Company**, other than its external auditor, liquidator, administrator, receiver or solicitor;
2. any **Employee** of the **Company** whilst acting in a managerial or supervisory capacity, including any **Employee** of the **Company** who at the specific written request of the **Company** is appointed to a managerial or supervisory position within any entity established for the sole purpose of any profit sharing, share option, sporting, social or welfare purpose and which exists predominantly for the benefit of any or all of the **Insured Persons** and **Employees** of the **Company** and their families and dependants;
3. any **Employee** of the **Company** who is named as a co-defendant in respect of a **Claim** made against a **Director** or **Officer** (and for the purpose of **Definition V.3. Officer** shall bear the meaning set out in **Definitions V.1. and V.2.**);
4. in respect of an **Employment Wrongful Act**, any **Employee** of the **Company**.

W. Official Detention means confinement of an **Insured Person** in secure custodial premises, operated by or on behalf of a governmental or judicial agency in connection with a **Claim** against such **Insured Person** and either without charge or without a judicial finding of culpability or liability in that **Claim**.

X. Original Inception Date means the date from which the **Company** has maintained uninterrupted **Directors** and **Officers** liability cover with an insurer; whether under this Policy or any preceding Policy.

Y. Outside Entity means any company or non-profit organisation (other than a **Subsidiary**) unless it is either:

1. registered (for any purpose), domiciled or incorporated in **North America**; or
2. has any of its **Securities** listed on any exchange in **North America**,

provided however that in the case of a company or non-profit organisation falling within this **Definition**, such entity shall constitute an **Outside Entity** and be covered under this **Policy** if:

- (a) the **Insurer** agrees to provide such cover and such entity is listed as an **Outside Entity** in the **Policy Schedule** by written endorsement; and
- (b) the **Policyholder** holds share capital in such entity.

Z. Policy means, collectively the **Policy Schedule**, the **Proposal**, each **Policy Section** and the Terms and Conditions of the policy (including any endorsements thereto).

AA. Policyholder means the organisation designated in the **Policy Schedule**.

BB. Policy Period means the period of time specified in the **Policy Schedule**.

CC. Policy Schedule means the Management Liability Policy Schedule attaching to this **Policy**.

DD. Pollutants means any air emission, odour, waste water, oil or oil products, infectious or medical waste, biological contaminants, asbestos or asbestos products, electric or magnetic or electromagnetic fields and noise, and any ionising radiations or contamination by radioactivity. **Pollutants** shall also mean any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a country, state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials.

EE. Pollution means the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere.

FF. Principal means any serving **Director** (other than a non-executive director) of the **Insured**;

- (a) whose details have been notified to Companies House in accordance with Section 162 of the Companies Act 2006 or any statutory amendment modification or re-enactment of such Act or Regulations where the **Insured** is a **Company** registered in the **United Kingdom**; or
- (b) who sits on the **Insured's** board of directors where the **Insured** is a **Company** registered outside of the **United Kingdom**; or
- (c) who is a member of a limited liability partnership as defined under the Limited Liability Partnership Act 2000.

GG. Proposal means, the signed proposal form, **Statement of Fact** and declaration completed in respect of this **Policy**, including any renewal declaration, and any information supplied by or on behalf of any **Insured** in addition to or in connection with or in substitution therefore.

- HH. Public Relations Consultancy Fees** means fees necessarily incurred by the **Insured** to employ the services of an external public relations consultant solely to provide advice to minimise adverse publicity following **Loss** covered by this **Policy**.
- II. Related Claims** means all **Claims** based on, arising out of, attributable to, or in any way involving the same or related facts, **Circumstances**, situations, transactions or events or series of or the same or related facts, acts, **Circumstances**, situations, originating cause, transactions or events shall be regarded as one Claim.
- JJ. Retaliation/Retaliatory** means a **Wrongful Act** of an **Insured** relating to, or alleged to be in response to, the treatment of any **Employee** less favourably than others, or the victimisation of that person, because that person threatens to bring proceedings, give evidence or information, take any action or make any allegation concerning the **Insured** with reference to legislation relating to sex, race, or disability discrimination, whistle blowing and, subject to the provisions of this **Policy**, any employment protection law generally or where the **Insured** has already done any of the foregoing.
- KK. Retention** means that part of each and every **Claim** or **Loss**, as applicable, which is payable by the **Insured**, the amount of which is specified in the **Policy**.
- LL. Retires/Retirement** means the act of any **Insured Person** voluntarily relinquishing their position from the **Company** with a resulting state of **Retirement** whereby such **Insured Persons** do not subsequently resume or assume the position of **Director**, **Officer** or **Employee** in any company thereafter.
- MM. Securities** means any note, stock, bearer instrument, derivative, bond, debenture, evidence of indebtedness, depositary receipt, share or other equity or debt security of any **Insured**, and shall include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or purchase, voting certificate relating to, certificate of deposit for, or other interest in any of the foregoing.
- NN. Spouse** means a lawful spouse, civil partner or any person deriving similar status by reason of the common law.
- OO. Statement of Fact** means the information contained in any document provided by the **Policyholder** to the **Insurer** relating to the cover applied for and assumptions that the **Insurer** has made about factual **Circumstances** relevant to the cover and which are accepted by the **Policyholder** as true and correct.
- PP. Sub-Limit** means the maximum aggregate liability of the **Insurer** from all **Claims** or **Related Claims** first made during the **Policy Period** or any applicable **Discovery Period**, arising from an Extension to an **Insuring Clause** under this **Policy**. **Sub-Limits** shall be part of and not in addition to the **Limit of Liability** attaching to the applicable Insuring Clause.
- QQ. Subsidiary** means any entity in which the **Policyholder**:
1. holds directly or indirectly more than fifty per cent (50%) of the voting rights; or
 2. has the right to appoint or remove a majority of the board of Directors; or
 3. holds more than half of the issued share capital,
- and where the **Policyholder** is a partnership, an entity shall be a **Subsidiary** of the partnership where such holding or right is held for the benefit of the partnership.
- RR. Terrorism** means an act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the **United Kingdom** or any other government whether legally established or not.
- SS. Tribunal** means a tribunal constituted in accordance with the Employment Tribunals (Constitution and Rules of Procedures) Regulations 1993, and any statutory amendment or successor thereto.
- TT. United Kingdom** shall mean the United Kingdom of Great Britain and Northern Ireland.
- UU. USA** means the United States of America and in each case its territories and possessions and any state or political sub-division thereof.
- VV. Wrongful Act** means in respect of:
1. an **Insured Person**

any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty, breach of trust, libel, slander, breach of contract, breach of warranty of authority, wrongful trading as set out in section 214 of the Insolvency Act 1986 (or any equivalent situation in any jurisdiction in which the **Company** is incorporated), **Employment Wrongful Act** or other act actually or allegedly committed or attempted by any **Insured Person** in their duties or capacity as:

 - (a) a **Director** or **Officer**; or
 - (b) a **Director**, **Officer**, trustee, governor or incumbent of a position of equivalent status of any **Outside Entity**; or
 2. the **Company**

any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, breach of trust, breach of warranty of authority, or other act actually or allegedly committed or attempted by the **Company**.

How We Use Your Information

Please read the following carefully as it contains important information relating to the details that you have given us. You should show this notice to any other party related to this insurance.

Who we are

This product is underwritten by Royal & Sun Alliance Insurance plc.

You are giving your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group).

In this information statement, 'we' 'us' and 'our' refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises all the details we hold about you and your transactions and includes information obtained from third parties.

We may use and share your information with other members of the Group to help us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with you;
- Understand our customers' requirements;
- Develop and test products and services

We do not disclose your information to anyone outside the Group except:

- Where we have your permission; or
- Where we are required or permitted to do so by law; or
- To credit reference and fraud prevention agencies and other companies that provide a service to us, our partners or you; or
- Where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone we pass it to provides an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which you provided it. Details of the companies and countries involved can be provided on request.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object, you will consent to that change. We will not keep your information for longer than is necessary.

Sensitive Information

Some of the information we ask you for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about you or others except for the specific purpose for which you provide it and to carry out the services described in your policy documents. Please ensure that you only provide us with sensitive information about other people with their agreement.

How to contact us

On payment of a small fee, you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to:

Data Protection Liaison Officer
Customer Relations Office
RSA
Bowling Mill
Dean Clough
Industrial Estate
Halifax, HX3 5WA

Complaints Procedure

Our Commitment to Customer Service

at RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Step 1

If your complaint relates to your policy then please contact the sales and service number shown in your schedule. If your complaint relates to a claim then please call the claims helpline number shown in your policy booklet.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post: RSA
Customer Relations Team
P O Box 2075
Livingston
EH54 0EP

Email: crt.halifax@uk.rsagroup.com

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Use the information from your complaint to proactively improve our service in the future.

Once we have reviewed your complaint we will issue our final decision in writing within 8 weeks of the date we received your complaint.

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints. They can be contacted at:

Post: Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0800 0234567 (for landline users)
0300 1239123 (for mobile users)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the FOS. This does not affect your right to take legal action, however, the FOS will not adjudicate on any case where litigation has commenced.

Thank you for your feedback

We value your feedback and at the heart of our brand we remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

Royal & Sun Alliance Insurance plc (No. 93792).

Registered in England and Wales at St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.



COMMERCIAL CRIME PROTECTION

Policy



THIS POLICY (AND THE SCHEDULE WHICH FORMS AN INTEGRAL PART OF THE POLICY) IS A LEGAL CONTRACT. IT NEEDS TO BE EXAMINED THOROUGHLY TO ENSURE IT MEETS THE INSURED'S REQUIREMENTS. IF IT DOES NOT MEET THE INSURED'S REQUIREMENTS THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.

ANY FACTS WHICH THE INSURER HAS TAKEN INTO ACCOUNT IN THE ASSESSMENT OR ACCEPTANCE OF THIS INSURANCE, AND ANY SUBSEQUENT CHANGES TO THOSE FACTS, NEED TO BE DECLARED. FAILURE TO DO SO MAY INVALIDATE THE POLICY OR RESULT IN CERTAIN COVERS NOT OPERATING FULLY. IF THERE IS ANY DOUBT AS TO WHETHER A FACT IS MATERIAL OR NOT, THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.

Royal & Sun Alliance Insurance plc (herein called the **Insurer**) and the **Insured** agree that the **Policy** the **Schedule** (including any **Schedule** issued in substitution) and any endorsements shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

The **Insurer** will provide the insurance described in this **Policy** subject to the terms and conditions for the **Policy Period** shown in the **Schedule** and any subsequent period for which the **Insured** shall pay and the **Insurer** shall agree to accept the premium.

PLEASE READ THE POLICY WORDING CAREFULLY

IMPORTANT NUMBER: Your Claims Helpline Number is **01403 232308**. Please quote your **Policy** number.

Guidance when making a claim

Conditions that apply to the **Policy** in the event of a claim are set out in your **Policy** booklet. It is important that you comply with all **Policy** conditions and you should familiarise yourself with any requirements contained in the **Policy**.

Directions for claim notification are included in the claims conditions. Please be aware that events that may give rise to a claim under the insurance must be notified as soon as reasonably possible although there are some situations where immediate notice is required. Further guidance is contained in the **Policy** booklet.

Additional Benefits

Choosing an RSA policy means that you also benefit from a number of additional services that we provide free of charge. Our advice-lines will put you in touch with highly qualified experts who can offer information and assistance on a number of issues and there is no limit to the number of times you can call.

A. Legal Assistance

A 24 hour service that gives you access to a team of legal experts offering confidential advice on business matters such as defence of prosecutions, employment, customer and supplier disputes.

B. Health & Safety

Help is available 24 hours a day on health and safety legislation, including its interpretation and advice on civil and criminal liability for accidents at work.

C. Tax Advice

A confidential telephone advisory service offering assistance on all taxation issues such as PAYE, VAT and income tax. This service is available Monday to Friday, 9am to 5pm.

D. Stress Counselling

Stress affects most principals or business owners at some point in their working lives. Our stress counselling service will help you deal with stress at work by addressing minor problems before they become major crises. Confidentiality is of the utmost importance and our counsellors are qualified and experienced in assessing problems quickly so they can provide immediate therapy. This service is restricted to **Insured** firms with up to 10 principals, Partners, Directors or **Members**.

The advice-line number is **0345 078 3863**

Please quote reference number **72847**

Advice lines are intended for business use only and are a service provided to sole practitioners, Directors, Partners and **Members** of the **Insured**. **Employees** do not qualify to use this service.

This page should be read in conjunction with the rest of your **Policy** documents.

Contents

Section	Page Number
Interpretation	6
Section 1 - Insuring Clause	7
Insuring clause	7
Section 2 - Coverage Extensions	7
Client cover	7
Commercial disruption	7
Contractual penalties	7
Court compensation costs	7
Damage to money and securities	7
Expenses	7
Identity fraud	7
Malicious data damage	7
Mitigation costs	
Public relations consultancy fees	7
Public utilities fraud	7
Telecommunication fraud	8
Section 3 - Exclusions	9
Section 4 - Definitions	10
Section 5 - General Conditions	13
Section 6 - Claims Conditions	16
Complaints Procedure	17
How we use your Information	18

Interpretation

In this **Policy** the singular includes the plural and vice versa. The male gender includes the female and neutral genders.

The words in bold typeface used in this **Policy** (other than those used in headings and titles of sections and sub-sections) have the specific meanings attached to them as set out in section 4, Definitions.

The titles and headings in this **Policy** are included solely for ease of reference and do not in any way limit or expand or otherwise affect the provisions of this **Policy**.

References to any Act or law include any rule, order, regulation or other similar instrument made thereunder and shall include any amendment, replacement, consolidation or re-enactment of such Act or law.

Section 1 – Insuring Clause

1.1 Insuring Clause

The **Insurer** shall indemnify the **Insured** against any **Loss** sustained by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**.

- ii. **Money** and **Securities** while in the custody of an **Employee** (or any other person authorised by the **Insured** to have such custody where they provide an indemnity or have insurance for such loss),

shall be deemed covered **Loss**.

2.6 Expenses

The **Insurer** shall indemnify the **Insured** against any **Expenses** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be limited to the **Expenses** sub-limit specified in the **Schedule** which shall be in addition to the **Limit of Liability**.

2.7 Identity Fraud

The **Insurer** shall indemnify the **Insured** against any **Identity Fraud Expenses** incurred by the **Insured** as a direct result of **Identity Fraud** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

2.8 Malicious Data Damage

The **Insurer** shall indemnify the **Insured** against any **Data Damage Expenses** incurred by the **Insured** as a direct result of **Data Damage** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

2.9 Mitigation Costs

The **Insurer** shall indemnify the **Insured** against any **Mitigation Costs** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £250,000 and shall be part of the **Limit of Liability**.

2.10 Public Relations Consultancy Fees

The **Insurer** shall indemnify the **Insured** against any **Public Relations Consultancy Fees** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £25,000 and shall be part of the **Limit of Liability**.

2.11 Public Utilities Fraud

The **Insurer** shall indemnify the **Insured** against any **Public Utilities Fraud Charges** incurred by the **Insured** as a direct result of **Public Utilities Fraud** first **Discovered** in the **Policy Period** or **Discovery Period** provided that:

- i. the **Insured** shall not admit liability or pay **Public Utilities Fraud Charges** without the **Insurer's** prior written consent; and
- ii. the **Insurer** shall not be liable for **Loss** occurring more than 60 days prior to the date of **Discovery**.

The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

Section 2 – Coverage Extensions

In addition to the cover provided under the terms of Insuring Clause 1.1 above, the **Insurer** shall provide the following Coverage Extensions:

2.1 Client Cover

The **Insurer** shall indemnify the **Insured** against any **Loss** sustained by the **Client** as a direct result of **Client Crime** first **Discovered** in the **Policy Period** or **Discovery Period**.

2.2 Commercial Disruption

The **Insurer** shall indemnify the **Insured** against any **Commercial Disruption Costs** incurred by the **Insured** as a direct result of **Commercial Disruption** following a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period** provided that:

- i. the **Insurer** shall not be liable to indemnify the **Insured** against any **Commercial Disruption Costs** in the first 48 hours following the **Discovery** of a **Crime**; and
- ii. the maximum period in respect of which the **Insurer** shall indemnify the **Insured** against **Commercial Disruption Costs** shall be the 90 day period immediately following the initial 48 hour period referred to in (i) above.

The maximum amount payable under this extension shall be sub-limited to £250,000 which shall be part of the **Limit of Liability**.

2.3 Contractual Penalties

The **Insurer** shall indemnify the **Insured** against any **Contractual Penalties** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £250,000 and shall be part of the **Limit of Liability**.

2.4 Court Compensation Costs

The **Insurer** shall indemnify the **Insured** against any **Court Compensation Costs** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £25,000 and shall be part of the **Limit of Liability**.

2.5 Damage to Money and Securities

The **Insurer** shall indemnify the **Insured** against any **Criminal Damage Costs** incurred by the **Insured** as a direct result of **Criminal Damage** first **Discovered** in the **Policy Period** or **Discovery Period**, provided that in respect of this extension:

- i. only **Money** and **Securities** from within the **Insured's** business premises; or

2.12 Telecommunication Fraud

The **Insurer** shall indemnify the **Insured** against any **Telecommunication Fraud Charges** incurred by the **Insured** as a direct result of **Telecommunication Fraud** first **Discovered** in the **Policy Period** or **Discovery Period** provided that:

- i. the **Insured** shall not admit liability or pay **Telecommunication Fraud Charges** without the **Insurer's** prior written consent; and
- ii. the **Insurer** shall not be liable for **Loss** occurring more than 60 days prior to the date of **Discovery**.

The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

Section 3 – Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** against any **Loss**:

3.1 Benefiting Another Insured

sustained by any **Insured** to the advantage of any other **Insured**;

3.2 Confidential Information

arising directly or indirectly from the loss of, or use of confidential information of any kind including but not limited to intellectual property rights, patents, trademarks, trade secrets or confidential manufacturing, processing or servicing methods, except to the extent that such confidential information is used in the commission of a **Crime** otherwise covered under this **Policy**;

3.3 Indirect or Consequential Loss

that is deemed to be consequential or indirect loss of any kind including but not limited to profits, dividends, interest, gains or other income. **Expenses** are not deemed to be consequential or indirect loss;

3.4 Kidnap, Ransom and Extortion

arising directly or indirectly from kidnap, ransom or extortion. However where **Loss** is sustained by the **Insured** resulting from extortion by any person:

- i. wrongfully detaining an **Employee** or their relative; and
- ii. making a demand of that **Employee** that they surrender (in exchange for the release of the **Employee** or their relative) **Money**, **Securities** or **Property** contained within the **Insured's** business premises or **Funds** accessed from the business premises, to the deprivation of the **Insured**,

then such **Loss** shall not be excluded provided there is no **Employee** fraud or dishonesty in relation to that act of extortion;

3.5 Major Shareholders

arising directly or indirectly from **Crime** committed by a shareholder, or their representative, holding more than 15% of the issued share capital of the **Insured**. However:

- i. if such **Loss** would be covered in the absence of this exclusion; then
- ii. the **Insurer** shall pay that part of **Loss** which is in excess of the value of their shareholding on the day immediately preceding the date of **Discovery** of the **Crime**;

3.6 Nuclear

arising directly or indirectly from nuclear reaction, radiation or radioactive contamination;

3.7 Past Knowledge of Fraud

arising directly or indirectly from an act of an **Employee** after a director, officer, company secretary, manager, trustee, equity partner or **Member** of the **Insured** acquires knowledge of **Crime**, fraud or dishonesty committed by the **Employee**:

- i. whilst employed by the **Insured**; or
- ii. prior to employment with the **Insured** where the assets involved in such **Crime**, fraud or dishonesty were more than £15,000;

3.8 Profit and Loss and Inventory Calculations

dependant solely upon profit and loss calculations, inventory calculations, comparisons or checks with physical stock. However, where the **Insured** establishes, wholly apart from such calculations comparisons or checks, that **Loss** has occurred resulting directly from a **Crime**, such calculations, comparisons or checks can be used to support the amount of **Loss** claimed;

3.9 Trading

arising directly or indirectly from loss due to the authorised or unauthorised trading of **Securities**, **Money**, **Property**, **Funds** or anything else of value, or their derivatives. However where such loss contains **Loss** arising from a **Crime** committed by an **Employee** which causes the **Insured** to sustain direct financial loss, the **Insurer** shall pay that part of **Loss** which constitutes the improper personal gain of the **Employee** or any other person benefiting from that **Employee's** actions. Improper personal gain shall not include salaries, commissions, emoluments or any other benefits from employment; or

3.10 War and Terrorism

arising directly or indirectly from **War** or **Terrorism**.

Section 4 – Definitions

4.1 Definitions

A. Associated Company means a company which is not a **Subsidiary** and;

1. in which the **Policyholder** or a **Subsidiary** directly holds any issued share;
2. whose security and internal control policies and procedures are controlled and set by the **Policyholder** or a **Subsidiary**; and
3. whose day to day management the **Policyholder** or a **Subsidiary** has the right to control.

B. Benefit Plan means any pension or benefit plan established by an **Insured** for the benefit of its **Employees**.

C. Client means a customer to whom the **Insured** provides goods or services under a written contract.

D. Client Crime means the criminal, fraudulent or dishonest taking or appropriation of **Money, Securities, Property** or **Funds** to the deprivation of a **Client**;

1. by an **Employee** where there is no collusion with the **Client's** employees; or
2. by a **Third Party** where there is no collusion with an **Employee** or **Client** employee and where the **Money, Securities, Property** or **Funds** are in the care custody and control of the **Insured**.

E. Commercial Disruption means the **Insured's** total inability to continue to provide goods or services. The ability to continue to provide goods or services at a level less than normal or optimal shall not be deemed to be **Commercial Disruption** for the purposes of this **Policy**.

F. Commercial Disruption Costs means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to temporarily rent premises for the purposes of carrying on business or to hire temporary additional staff.

G. Contractual Penalties means a monetary penalty assumed by and enforced against the **Insured** (excluding damages for mental distress or punitive or exemplary damages for breach of contract) under a written contract.

H. Court Compensation Costs means £250 per day for each **Employee** who is required to:

1. attend court as a witness;
2. attend an interview by a solicitor for the purposes of composing a witness statement;
3. attend a conference or consultation with a barrister; or
4. attend a court as an observer;

provided that the **Insurer's** prior written consent is given and the maximum daily amount payable by the **Insurer** for all such attendance collectively shall be £500. Payment shall be made to the **Policyholder**.

I. Crime means, in respect of:

1. Insuring Clause 1.1; the criminal, fraudulent or dishonest taking or appropriation of **Money, Securities, Property** or **Funds** to the deprivation of the **Insured** by any person;
2. Client Cover 2.1; **Client Crime**;
3. Damage to Money and Securities 2.5; **Criminal Damage**;
4. Identity Fraud 2.7; **Identity Fraud**;
5. Malicious Data Damage 2.8; **Data Damage**;
6. Public Utilities Fraud 2.11; **Public Utilities Fraud**; or
7. Telecommunications Fraud 2.12; **Telecommunications Fraud**.

J. Criminal Damage means destruction of or damage to, **Money** or **Securities** caused by a criminal act of any person.

K. Criminal Damage Costs means the cost of replacing **Money** or **Securities**.

L. Data means information contained in any record of the **Insured's** whether electronic or physical, including but not limited to books, manuscripts, tapes, disks, memory devices, servers or computer systems.

M. Data Damage means the criminal and malicious alteration, deletion or corruption of **Data** where the **Insured** has been specifically and solely targeted.

N. Data Damage Expenses means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to rectify **Data Damage** but does not include expenses to replace hardware, improve or optimise software, or arising from the incorrect use or obsolescence of hardware or software.

O. Discovered/Discovery means when a director; officer; company secretary, manager, trustee, equity partner or **Member** of the **Insured**:

1. firsts learns of a **Crime** or any acts that may reasonably be expected to cause **Loss**; or
2. first suspects (even without the knowledge of such acts) that a **Crime** may have been committed that is likely to lead to **Loss**,

regardless of when the acts took place or the quantum of **Loss**.

Discovery also means when the **Insured** receives notice of an actual or potential claim against it alleging facts that if true would lead to **Loss**.

Discovery by one person shall be regarded as **Discovery** by all persons.

P. Discovery Period means an automatic period of 90 days or the period of time noted in the **Schedule** after the **Policy Period** has expired.

Q. Employee means a natural person who is:

1. under a contract of service with the **Insured** whether permanent, temporary, full time, part time or seasonal and is governed by and reporting directly to, an **Insured** in the performance of such service and is compensated by wages, salary or commission;

2. performing duties personally under the control and direction of the **Insured** who is a student, secondee, volunteer or on a work experience or training placement;
3. a member of the board of directors, board of trustees or equivalent management board, but not equity partners or **Members** of the **Insured**;
4. employed by an entity to whom the **Insured** **Outsources**; or
5. an ex-**Employee** for the first 60 days following termination of employment unless such termination was the result of a **Crime**, fraud or dishonesty.

provided that an **Employee** shall not mean any person who works for or acts on behalf of any external; auditor; accountant; broker; investment manager; investment advisor; solicitor or any financial agent or representative.

R. Expenses means the necessary and reasonable costs incurred by the **Insured** with the **Insurer's** prior written consent:

1. to substantiate the amount of **Loss**;
2. to repair or replace (to an equivalent standard) a safe or vault belonging to an **Insured**;
3. to reconstitute **Data**;
4. for **Legal Costs**; and
5. for **Interest Payments**,

provided that **Expenses** shall not include salaries, commissions, emoluments or any other benefits from employment or costs and expenses normally incurred by the **Insured** in the absence of a **Crime** or costs and expenses incurred by a **Client**.

S. Funds means credit balances in the **Insured's** name held at a financial institution.

T. Identity Fraud means the theft or fraudulent alteration of publicly available information pertaining to the identity of the **Insured** by an **Employee**, **Third Party** or **Client** which the **Insured** is legally required to provide (including but not limited to memoranda and articles of association, annual financial filings and compliance records) or has legitimately authored, provided that such information has been relied upon by investors, customers or vendors in establishing the financial standing and credit worthiness of the **Insured**.

U. Identity Fraud Expenses means the necessary and reasonable legal fees incurred by the **Insured**, with the **Insurer's** prior written consent:

1. to correct or reinstate information following an **Identity Fraud**; or
2. to dismiss legal actions against them on the grounds that they are not the perpetrator of the alleged wrongdoing or to employ a private investigation agency to investigate the identity of the perpetrator of the **Identity Fraud**.

V. Insured means the **Policyholder**, **Subsidiary**, **Associated Company** or **Benefit Plan**.

W. Insurer means Royal & Sun Alliance Insurance plc.

X. Interest Payments means interest that would have been received by the **Insured** on **Money** or **Funds** but for a **Loss** sustained by the **Insured** under this **Policy** resulting from a **Crime** involving such **Money** or **Funds**. The **Insurer's** liability shall be limited to simple interest on the principal amount calculated at LIBOR (London Inter-bank Offered Rate) as published in The Financial Times on the date of **Discovery** of the **Crime** or as otherwise agreed between the **Insured** and the lending party whichever is the less.

Y. Legal Costs means the necessary and reasonable legal fees incurred by the **Insured**, with the **Insurer's** prior written consent, in defending a claim brought against it to establish liability for a **Loss** resulting from a **Crime**.

Z. Limit of Liability means the limit specified in the **Schedule**.

AA. Limited Liability Partnership means a limited liability partnership formed under the Limited Liability Partnership Act 2000.

BB. Loss means, in respect of:

1. Insuring Clause 1.1; direct financial loss sustained by the **Insured**;
2. Client Cover 2.1; direct financial loss sustained by the **Client**;
3. Commercial Disruption 2.2; **Commercial Disruption Costs**;
4. Contractual Penalties 2.3; **Contractual Penalties**;
5. Court Compensation Costs 2.4; **Court Compensation Costs**;
6. Damage to Money and Securities 2.5; **Criminal Damage Costs**;
7. Expenses 2.6; **Expenses**;
8. Identity Fraud 2.7; **Identity Fraud Expenses**;
9. Malicious Data Damage 2.8; **Data Damage Expenses**;
10. Mitigation Costs 2.9; **Mitigation Costs**;
11. Public Relations Consultancy Fees 2.10; **Public Relations Consultancy Fees**;
12. Public Utilities Fraud 2.11; **Public Utilities Fraud Charges**; or
13. Telecommunications Fraud 2.12; **Telecommunications Fraud Charges**,

provided that **Loss** shall not include taxes, fines, penalties (other than **Contractual Penalties**), punitive or exemplary damages or damages for mental distress or liability assumed under contract except to the extent that **Loss** would have been incurred as a matter of applicable law in the absence of such contract.

CC. Member means a member of a **Limited Liability Partnership** as defined under the Limited Liability Partnership Act 2000.

DD. Mitigation Costs means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to mitigate a **Loss** resulting from a **Crime** but only if such mitigation reduces or eliminates such **Loss**.

EE. Money means currency, coins and bank notes in current use and bullion, traveller's cheques, postal orders, postage stamps, luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, VAT stamps, petrol cards in current use and unused credits in franking machines.

- FF. Outsources** means the retention and authorisation by the **Insured** of a natural person or organisation to perform a normal administrative function on behalf of the **Insured** provided that:
1. such function is performed under a written contract;
 2. the **Insured** retains the right to audit the performance of such function; and
 3. the **Insured** can demonstrate that they have vetted the natural person or organisation for competency, financial stability and honesty prior to the retention and authorisation by the **Insured** of such natural person or organisation to perform such function.
- GG. Policy** means this policy its **Schedule** and any endorsements attached thereto.
- HH. Policyholder** means the organisation designated in the **Schedule**.
- II. Policy Period** means the period of time designated in the **Schedule**.
- JJ. Property** means tangible property but shall not include **Money**, **Securities** or **Funds**.
- KK. Public Relations Consultancy Fees** means the necessary and reasonable costs incurred by the **Insured** with the **Insurer's** prior written consent, to employ the services of a public relations consultant solely to provide advice to minimise adverse publicity (but not the costs of advertising or disseminating information) following a **Loss** resulting from a **Crime**.
- LL. Public Utilities Fraud** means the unauthorised and criminal use of gas, electricity or water.
- MM. Public Utilities Fraud Charges** means the charges raised by the public utilities provider against the **Insured** for **Public Utilities Fraud**.
- NN. Schedule** means the schedule attached to this **Policy**.
- OO. Securities** means negotiable and non-negotiable instruments or contracts representing **Money** or **Property** but does not include **Money** or **Property**, letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable or any other bill, document or receipt similar in nature or effect or serving a similar purpose.
- PP. Subsidiary** means a company or **Limited Liability Partnership** in which the **Policyholder**:
1. holds directly or indirectly more than 50% of the issued share capital;
 2. has the right to appoint or remove a majority of the board of directors or **Members**; or
 3. holds directly or indirectly a majority of the voting rights.
- QQ. Telecommunication Fraud** means the unauthorised and criminal use of, or access to, a terrestrial telecommunications system, owned or leased by the **Insured** on their premises which is password protected and is also protected by other reasonable and documented security measures, provided that non-terrestrial mobile and data telecommunications systems shall not constitute a terrestrial telecommunications system.
- RR. Telecommunication Fraud Charges** means the charges raised by the telecommunications provider against the **Insured** for **Telecommunication Fraud**.
- SS. Territory** means the territory set out in the **Schedule**.
- TT. Terrorism** means any person's action on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing of, or influencing by force or violence of, Her Majesty's government in the United Kingdom or any other government whether legally established or not.
- UU. Third Party** means a natural person other than an **Employee** or **Client**.
- VV. War** means war, invasion, foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or the use of military or usurped power.

Section 5 – General Conditions

5.1 Acquisition of the Policyholder

If during the **Policy Period**:

- i. the **Policyholder** has 100% of its issued share capital acquired by another entity or consolidates or merges with another entity such that more than 50% of its issued share capital is acquired; or
- ii. there is a change in control resulting in any person, entity or group of persons or entities obtaining the right to appoint or remove a majority of the **Policyholder's** board members,

then cover shall continue until the end of the **Policy Period** but only for **Crimes** committed prior to such acquisition, consolidation, merger or change in control provided that this **Policy** is not replaced by similar insurance or the **Insured** does not have the benefit of other similar insurance. Where there is other insurance in place providing similar cover, this **Policy** shall cease immediately together with any **Discovery Period** and the premium shall be deemed fully earned.

5.2 Acquisition or Creation of Subsidiaries or Associated Companies

If prior to or during the **Policy Period** the **Insured** acquires or creates a new **Subsidiary, Associated Company** or **Benefit Plan** then it shall become an **Insured** from the date of acquisition or creation but only for **Crimes** committed after the date of acquisition or creation provided that for acquisitions or creations that occur during the **Policy Period** where such acquired or created entity:

- i. has gross consolidated turnover or employee numbers that increase the existing gross consolidated turnover or **Employee** numbers of all **Insureds** by more than 25%; or
- ii. has had a loss that would be covered under the terms of this **Policy** in the last 3 years that is greater than 50% of the retention specified in the **Schedule**; or
- iii. has activities that are materially different from the **Insured's**,

the **Policyholder** shall give written notice to the **Insurer** of such acquisition or creation as soon as practicable but in no event later than 60 days post acquisition or creation, upon which the **Insurer** shall have the right to amend the terms and conditions of this **Policy** including charging an additional premium.

5.3 Alteration and Assignment

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 signed by an authorised signatory of the **Insurer**.

5.4 Arbitration

Any dispute arising out of or in connection with this **Policy** may be referred, with the mutual agreement of the **Policyholder** and **Insurer**, to an arbitrator. The arbitrator shall be a Queen's Council specialising in insurance law and shall be appointed by agreement between the **Policyholder** and **Insurer** or, failing such agreement, by the Chairman for the time being of the Bar Council.

5.5 Cancellation

This **Policy** may be cancelled:

- i. by the **Policyholder** by giving 30 days notice in writing to the **Insurer** at the address shown in the **Schedule**;
- ii. by the **Insurer** by giving 60 days notice in writing to the **Policyholder** at the address shown in the **Schedule**;
- iii. by the **Insurer** by giving 14 days notice to the **Policyholder** due to the non-payment of premium; or
- iv. at such other time as may be agreed upon by the **Policyholder** and the **Insurer** in writing,

whereupon a return premium shall be due to the **Policyholder** calculated at customary short period rates if cancellation is effected by the **Policyholder** and pro-rata if cancelled by the **Insurer**, but only if notice of a **Crime** has not been given under the **Policy** under which circumstances there shall be no return premium.

5.6 Connected Crimes

All **Crimes** resulting from a single act or any number of acts in which the same person is concerned or implicated, whether such act or acts occurred before or during the **Policy Period**, shall be deemed to be a single **Crime** first **Discovered** on the date when the first of such **Crimes** was **Discovered**.

5.7 Consumer Credit Termination

The **Insurer** reserves the right to cancel this **Policy** in the event that there is a default in instalment payments due under any linked loan agreement.

5.8 Data Damage Expenses and Reconstitution of Data

The **Insured** shall at all times:

- i. maintain current back up files of **Data** such that it is isolated from **Data** in current usage and is unaffected by a **Crime**;
- ii. ensure that **Data** is protected by appropriate security measures including but not limited to physical security where appropriate, passwords, firewalls and malware detection, prevention and deletion software; and
- iii. not use unlicensed software.

5.9 Discovery Period

If the **Insured** (other than for non-payment of premium) or **Insurer** refuse to renew this **Policy**, then the **Insured** shall have the right to a **Discovery Period** that shall start immediately upon the cessation of the **Policy Period**, provided that prior to the end of the **Policy Period**:

- i. the **Insured** has paid the additional premium (if applicable) for that **Discovery Period** as set out in the **Schedule**;
- ii. the **Insured** has not arranged or obtained the benefit of any insurance cover provided under any renewal or replacement of this **Policy**;
- iii. no claims or circumstances relating to any actual or potential **Loss** have been notified to the **Insurer**; and

- iv. the **Policyholder** has not been acquired or become insolvent in the circumstances set out in the General Conditions of this **Policy**.

If during the **Discovery Period** the **Insured** arranges or obtains the benefit of any insurance that provides cover the same as or substantially similar to that provided in this **Policy**, then the **Discovery Period** shall come to an end and the additional premium (if applicable) shall be deemed fully earned.

Crimes that are **Discovered** in the **Discovery Period** shall be deemed to be **Discovered** in the **Policy Period**. There shall be no cover for **Crimes** committed during the **Discovery Period**.

5.10 Dispute Resolution

Subject to General Condition 5.4, any dispute arising in respect of this **Policy** (and any non-contractual obligations arising out of or in respect of it) shall be subject to the exclusive jurisdiction of the courts of England and Wales.

5.11 Financial or Trade Sanctions

The **Insurer** shall have no liability for **Loss** as the result of **Crime** under this **Policy** and shall pay no claims which would otherwise be covered, if and to the extent that doing so would violate or breach any prohibition or restriction imposed by law, sanction or regulation.

If any such prohibition or restriction takes effect during the **Policy Period** the **Insured** or the **Insurer** may terminate that part of the **Policy** which is prohibited or restricted with immediate effect by giving written notice to one another at the addresses in the **Schedule**.

5.12 Governing Law

The construction of the terms and conditions, and the validity, effect and enforceability of this **Policy** (and any non-contractual obligations arising out of or in respect of it) shall be governed by the laws of England and Wales.

5.13 Insolvency

If during the **Policy Period** the **Policyholder** enters into a winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or if a receiver or holder of a similar position is appointed over any of its assets, then cover for the **Insureds** shall continue until the end of the **Policy Period**, but not for **Crimes** committed after the date of that entry or appointment.

If during the **Policy Period** a **Subsidiary, Associated Company** or **Benefit Plan** enters into a winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or if a receiver or holder of a similar position is appointed over any of its assets, then cover for that **Subsidiary, Associated Company** or **Benefit Plan** shall continue until the end of the **Policy Period**, but not for **Crimes** committed after the date of that entry or appointment.

5.14 Joint Policy

Each **Insured** is deemed for all purposes under this **Policy** to be insured jointly and not separately for their respective several insurable interests.

5.15 Limits of Liability

The **Insurer's** liability for **Loss** covered under this **Policy** for any single **Crime** shall not exceed the **Limit of Liability** stated in the **Schedule** or the sub-limits stated in the Coverage Extensions.

The sub-limits are part of and shall erode the **Limit of Liability** apart from the **Expenses** sub-limit which is in addition to the **Limit of Liability**.

The **Limit of Liability** (and any applicable sub-limits) shall be the **Insurer's** maximum aggregate liability for all **Insureds** together, not per **Insured** and for all Insuring Clauses and Coverage Extensions together triggered by a single **Crime** not per Insuring Clause and Coverage Extension.

Regardless of the number of times this **Policy** is renewed and of the total premium paid, the **Limit of Liability** shall not be cumulative from year to year or from policy period to policy period.

5.16 Misrepresentation and Non-Disclosure

It is understood and agreed by the **Policyholder** and **Insureds** that the **Insurer** has relied upon the material accuracy of the statements, representations and information provided by them and their representatives in issuing this **Policy** and the underwriting of the risks insured hereunder. The **Insurer** shall not avoid or rescind this **Policy** for any innocent misrepresentation or non-disclosure provided that:

- i. in the event of an innocent misrepresentation or non-disclosure which would otherwise entitle the **Insurer** to avoid or rescind this **Policy**, the **Insurer** shall at its sole discretion be entitled to refuse cover for **Loss** on account of a **Crime** based upon arising from or in consequence of any such facts or circumstances the subject of that misrepresentation or non-disclosure; and
- ii. the **Insurer** shall at its sole discretion be entitled to amend the terms of this **Policy** and the premium payable in respect of it, to those which reflect such terms and premium that would have been applied by the **Insurer** had the **Insurer** been advised of the true facts that are the subject of such innocent misrepresentation or non-disclosure.

5.17 Policyholder and Insured

The **Policyholder** shall act on behalf of all **Insureds** with respect to:

- i. the giving and receiving of notice of **Crimes**;
- ii. cancellation of this **Policy**;
- iii. the payment of premiums and the receiving of any return premiums that may become due;
- iv. the negotiation, agreement to and acceptance of any amendments or endorsements;
- v. the giving and receiving of any notice provided for in this **Policy**; and
- vi. the receiving of any claim payment made by the **Insurer** in respect of **Loss**.

5.18 Retention

For each single **Crime**, the **Insurer** shall only be liable for that amount of **Loss** that exceeds the retention stated in the **Schedule** and the amount of recoveries made prior to the **Insurer** making payment for **Loss**.

If an **Insured** receives payment for loss or liability covered under another policy after the application of a retention for **Loss** also covered under this **Policy**, the retention stated in the **Schedule** shall, in respect of that **Crime**, be reduced by the retention applied under the other policy.

No retention shall apply to **Loss** sustained by a **Benefit Plan** or to **Court Compensation Costs** or **Public Relations Consultancy Fees**.

5.19 Sale or Cessation of Subsidiaries, Associated Companies and Benefit Plans

If during the **Policy Period** a **Subsidiary, Associated Company** or **Benefit Plan** is sold or ceases to be an **Insured**, then cover shall continue for such sold or ceased entity until the end of the **Policy Period** but only for **Crimes** committed prior to such sale or cessation.

If two years prior to the **Policy Period** a **Subsidiary, Associated Company** or **Benefit Plan** was sold or ceased to be an **Insured**, then such entity shall have cover for **Crimes** committed prior to such sale or cessation provided there was an insurance policy issued by the **Insurer** providing substantially the same cover as this **Policy** and it was in force at the time such **Crimes** were committed.

5.20 Territorial Application

Subject to the terms and conditions of this **Policy**, cover shall be provided for **Crimes** occurring anywhere within the **Territory**.

Section 6 – Claims Conditions

6.1 Claims Notification

It is a condition precedent to the **Insurer's** liability to indemnify the **Insured** for **Loss** resulting from a **Crime** that the **Insured** gives written notice of a **Crime** as soon as practicable and in no event later than 60 days after it is **Discovered** to the **Insurer** at "The Claims Department, Professional and Financial Risks, St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL" and is marked for the attention of the Professional and Financial Risks Claims Manager. Notice will be effective on the day of receipt by the **Insurer**.

6.2 Contracts (Rights of Third Parties) Act 1999

No person other than the parties to the **Policy** 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 **Insured** shall not be entitled to assign any right or cause of action against the **Insurer** under or in connection with this **Policy**.

6.3 Co-operation

Each **Insured** shall give to the **Insurer** all such information and co-operation that it may reasonably require to establish its liability, defend any claim against the **Insured** (it being understood and agreed that there is no obligation upon the **Insurer** to conduct the defence of such claim) or pursue prosecution against the perpetrators of a **Crime** including but not limited to submitting to examination under oath and producing all relevant documents to the fullest extent legally permissible.

6.4 Loss Mitigation and Waiver

The **Insured** shall exercise due diligence and do all that is necessary and reasonable to avoid or minimise **Loss** and shall do nothing that may prejudice the **Insurer's** rights or remedies under, or in connection with, this **Policy** in relation to such **Loss**.

Provided that, where the **Insured** is prevented from stopping or attempting to frustrate a **Crime** as a direct result of a direction or instruction issued by an authority under the auspices of Her Majesty's government (and invested thereby with the powers to do so) the **Insurer** shall waive any rights or remedies it may have for the failure of the **Insured** to mitigate such **Loss** in such circumstances.

6.5 Other Insurance

Loss covered under this **Policy** shall be specifically excess of loss covered under any other valid and collectible insurance (including but not limited to insurance that is stated to be primary, contributory, excess, contingent or otherwise) indemnity or guarantee, unless such other insurance, indemnity or guarantee is specifically excess of this **Policy**.

6.6 Proof of Loss

Within 6 months after **Discovery** of a **Crime** the **Insured** shall provide a full proof of **Loss** to the **Insurer** with all relevant information known to the **Insured** at the time in relation to that **Loss**, including but not limited to the quantum of **Loss**, the nature of the **Crime** and identity of the perpetrators if known.

6.7 Recoveries

Recoveries (which shall not include any payments received in respect of any insurance, reinsurance, sureties or indemnities) in respect of **Loss** covered under this **Policy** as a result of **Crime** shall be distributed as follows:

- i. firstly; to the **Insured** for any **Loss** that would otherwise be covered but is in excess of the **Limit of Liability** stated in the **Schedule**;
- ii. secondly; to the **Insurer** for claims paid to the **Insured**; and
- iii. thirdly; to the **Insured** for any retention amount applicable.

All recoveries shall be distributed only after the cost of recovery has been deducted from those recoveries.

6.8 Subrogation

If and to the extent that the **Insurer** makes any payment under this **Policy** in respect of a **Loss** the **Insurer** shall be subrogated to all the **Insured's** rights of recovery and action in respect of such **Loss**. The **Insured** shall do everything necessary to secure and preserve such rights of subrogation, including but not limited to the execution of such documents as are necessary to enable the **Insurer** to bring legal proceedings in the name of the **Insured**.

6.9 Valuation

The **Insurer** shall not be liable to indemnify the **Insured** for more than:

- i. the lesser of the market value of **Securities** at the close of business on the day immediately preceding the day on which the **Crime** was **Discovered**, or the cost of replacing the **Securities** including the costs of posting any required lost instrument bond (which costs shall be paid by the **Insurer** on behalf of the **Insured**);
- ii. the cost of blank material such as paper, tapes, disks and other materials for storing **Data** but not the value of the information contained therein;
- iii. the costs of labour for the copying or transcription of **Data** furnished by the **Insured** in order to reinstate such **Data**;
- iv. the value of a foreign currency calculated in pounds sterling at the mid point rate of exchange published in The Financial Times on the day the **Crime** is first **Discovered**; and
- v. the cash value of **Property** at the time the **Crime** is **Discovered** or the costs of repairing or replacing the **Property** with that of an equivalent standard whichever is the less.

Complaints Procedure

Our commitment to customer service

At RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Step 1

If your complaint relates to your **Policy** then please contact the sales and service team based in the office which issued the **Policy**. If your complaint relates to a claim then please call the claims helpline number shown in your **Policy** booklet.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post: RSA
Customer Relations Team
PO Box 255
Wyndham
NR18 8DP

Email: crt.halifax@uk.rsagroup.com

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Use the information from your complaint to proactively improve our service in the future.

Once we have reviewed your complaint we will issue our final decision in writing within 8 weeks of the date we received your complaint.

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints, they can be contacted at:

Post: Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Telephone: 0800 0234567 (free from standard land line, mobiles may be charged)
0300 1239123 (same rate as 01 or 02 numbers, on mobile phone tariffs)

Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the Financial Ombudsman Service. This does not affect your right to take legal action, however, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Thank you for your feedback

We value your feedback and at the heart of our brand we remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

How we use your Information

Please read the following carefully as it contains important information relating to the details that you have given us. You should show this notice to any other party related to this insurance.

Who we are

This product is underwritten by Royal & Sun Alliance Insurance plc.

You are giving your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group). In this information statement **we, us** and **our** refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises of all the details we hold about you and your transactions and includes information obtained from third parties.

If you contact us electronically, we may collect your information identifier, e.g. Internet Protocol (IP) Address or telephone number supplied by your Service Provider.

We may use and share your information with other members of the Group to help us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with you;
- Understand our customers' requirements;
- Develop and test products and services.

We do not disclose your information to anyone outside the Group except:

- Where we have your permission;
- Where we are required or permitted to do so by law;
- To credit reference and fraud prevention agencies and other companies that provide a service to us, our partners or you; or
- Where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone we pass it to provides an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which you provided it. Details of the companies and countries involved can be provided on request.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object, you will consent to that change.

We will not keep your information for longer than is necessary.

Sensitive Information

Some of the information we ask you for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about you or others except for the specific purpose for which you provide it and to carry out the services described in your policy documents. Please ensure that you only provide us with sensitive information about other people with their agreement.

How to contact us

On payment of a small fee, you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to:

Data Protection Liaison Officer,
Customer Relations Office,
RSA,
Bowling Mill,
Dean Clough Industrial Estate,
Halifax, HX3 5WA.

Royal & Sun Alliance Insurance plc (No. 93792).
Registered in England and Wales at St Mark's Court,
Chart Way, Horsham, West Sussex RH12 1XL.
Authorised by the Prudential Regulation Authority and regulated by the
Financial Conduct Authority and the Prudential Regulation Authority.



CYBER RISK INSURANCE

Policy wording



Contents

Section	Page
Your Policy	3
Claim Notification	4
The Insurance Provided	4
Cyber Risk Limit of In demnity	4
Policy Conditions	5
Policy Exclusions	6
Making a Claim	8
General Definitions	9
Fair Processing Notice	12
Complaints Procedure	13

Your Policy

This Policy is a legal contract between you the 'Insured' (also referred to as the You/Your) and Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group). In this information the 'Company', 'We' or 'Us' refers to Royal & Sun Alliance Insurance plc unless otherwise stated.

This Policy and any Schedule, Endorsements, Clauses and Certificates should be read as if they are one document.

Our acceptance of this risk is based on the information presented to Us being a fair presentation of the Insured's business including any unusual or special circumstances which increase the risk and any particular concerns which have led You to seek insurance.

Any reference to the singular will include the plural and vice versa.

The male gender includes the female and neutral genders. Person includes bodies corporate.

Any reference to any statute or statutory instrument will include any modifications or re-enactment thereto.

Any heading in this Policy is for ease of reference only and does not affect its interpretation.

Any Legal references within this Policy shall include any equivalent legal provision in the jurisdiction of ordinary residence of the Insured or location of the risk insured provided that such jurisdiction falls within the territorial scope of this Policy.

References to any Act or law include any rule, order, regulation or other similar instrument made thereunder and shall include any amendment, replacement, consolidation or re-enactment of such Act or law.

We will provide the insurance described in the Policy (subject to the terms set out herein) for the Period of Insurance shown in the Schedule and any subsequent period for which You shall pay and We shall agree to accept the premium. Taxes, levies and other relevant fiscal charges are payable in addition to the premium.

If any of the information disclosed by You changes prior to the date on which the Period of Insurance commences those changes must also be disclosed to Us prior to that commencement date.

A failure by You to properly disclose information to the Company may invalidate this Policy or result in the insurance cover otherwise provided under this Policy not operating fully.

If You are in any doubt as to whether any information is something that should be disclosed to the Company the Insured should immediately contact Your Insurance Adviser.

Claim Notification

We recognise that losses mean disruption to Your business and that the ultimate test of any insurance policy is providing a fast, effective claims service. We also realise that running a business means that it might not be convenient for You to report a Claim or Circumstance to Us during normal office hours. That's why We are flexible about how You can notify a claim to Us.

Cyber Incident number: 0330 102 2999

(Please quote Your Policy Number which can be found on Your Schedule).

Please note that the Cyber Incident number is not a helpline and is provided for a Claim Notification upon the Discovery of an actual, alleged or suspected Data Liability Event, Network Security Event or Cyber Business Interruption Event.

Conditions that apply to this Policy are set out in the Making a Claim section of this Policy. It is important that You comply with all Claims Conditions and You should familiarise Yourself with the requirements.

The Policy Conditions require You to provide Us with any reasonable assistance and evidence that We may require concerning the cause and value of any claim. Ideally, as part of any initial notification, You should provide:

- Your name, postal & email address, and Your contact numbers
- Personal details necessary to confirm Your identity
- Policy number
- The date of the incident
- The cause of the loss or damage
- Details of the loss or damage together with claim value if known or in respect of injury, its nature and extent
- The crime reference number where applicable
- Names and addresses of any other parties involved or responsible for the incident (including details of injuries) and addresses of any witnesses

Sometimes We or someone acting on our behalf may wish to meet with You to discuss the background to the notification, to inspect the damage or to undertake further investigations.

Our Emergency Cyber Notification line is provided by Our Incident managers and includes a panel of global experts who are available to support You as soon as an event is recognised by Us. Our expert panel provide a number of services which include forensic investigation, crisis response, public relations, legal defence, regulatory notification requirements, data restoration and credit monitoring services and will be appointed and managed, where required, by our Incident Managers with You.

Cyber Insurance

The Insurance Provided

Subject to payment of all applicable insurance premiums, the Company shall indemnify the Insured for:

1 Data Liability

Loss in respect of any Claim first made against the Insured during the Period of Insurance and reported to the Company in accordance with this Policy which results in legal liability and which arises from a Data Liability Event that occurs after the Retroactive Date and before the end of the Period of Insurance;

2 Network Security

Loss in respect of any Claim first made against the Insured during the Period of Insurance and reported to the Company in accordance with this Policy which results in legal liability and which arises from a Network Security Event that occurs after the Retroactive Date and before the end of the Period of Insurance;

3 Remediation Costs

Remediation Costs incurred by the Insured resulting from an actual or threatened Data Liability Event or Network Security Event, first Discovered and reported to the Incident Manager in accordance with this Policy;

4 Cyber Business Interruption

Any Business Interruption Loss incurred by the Insured, after the Waiting Period, resulting from a Cyber Business Interruption Event commencing during the Period of Insurance and reported to the Incident Manager in accordance with this Policy.

Cyber Risk Limit of Indemnity

The Limit of Indemnity shown in the Schedule is the maximum aggregate amount this Policy will pay, including Defence Costs for any and all Losses, Remediation Costs & Business Interruption Losses arising from all Claims and all Related Claims during the Period of Insurance.

The insurance provided is on a costs inclusive basis whereby Your costs and expenses and the costs and expenses incurred by the Company and Incident Manager or with the Company's written approval by any Insured entitled to Indemnity, are included within the Limit of Indemnity stated in the Schedule.

The Excess or Waiting Period shall apply before the Company shall be liable to make any payment.

The Company may at any time pay the Limit of Indemnity (less any sums already paid as damages) or any lesser amount for which at the absolute discretion of the Company the claims arising out of such Data Liability Event, Network Security Event or Cyber Business Interruption Event can be settled.

The Company will then relinquish control of such claims and be under no further liability in respect thereof except for costs and expenses for which the Company may be responsible prior to the date of such payment.

Policy Conditions

The following conditions specifically apply to this Cyber Insurance.

Applicable Law

This Policy and any dispute or claim arising out of or in connection with it or its subject matter or formation (including, without limitation, non-contractual disputes or claims) is governed by and shall be construed according to English law.

The Company and the Insured irrevocably submit to the exclusive jurisdiction of the English courts in relation to any dispute or claim arising out of or in connection with this Agreement and its subject matter or formation (including non-contractual disputes or claims).

Assignment

This Policy and any rights under it cannot be assigned without the written consent of the Company.

Authorisation Clause

You shall act on behalf of all Insureds with respect to:

- A giving and receiving of notice of any Claim or Circumstance or reported Remediation Costs or reported Business Interruption Loss
- B the payment of premiums and the receiving of any return premiums that may become due under this Policy
- C the negotiation, agreement to and acceptance of endorsements to this Policy
- D the giving or receiving of notice provided under this Policy except the giving of notice which extends to include any Insured authorised in writing by You.

Cancellation

You may cancel this Policy at any time by giving written notice to the Company and such cancellation being effective 10 days after such notice is received by the Company. In such case, the Company shall refund any unearned premium calculated at pro-rata rate of the annual premium, except in the event of a Claim or Circumstance or reported Remediation Costs or reported Business Interruption Loss having been notified prior to the date of cancellation whereupon no refund shall be due, unless agreed otherwise by the Company.

This policy may not be cancelled by the Company except for non-payment of the premium or upon expiry of a period of notice of not less than 21 days.

Change of Control

If during the Period of Insurance any other person, group or entity acquires control of more than 50% of Your issued share capital or of the composition of Your board, the cover provided by this Policy shall be restricted so as to apply only to Claims in respect of Cyber Business Interruption Events, Data Liability Events or Network Security Events occurring prior to the effective date of such sale, consolidation, merger or acquisition of control, unless the Company has agreed to extend coverage under the policy and You have agreed to the terms of any such extension of coverage.

Disputes under this Policy

Any dispute between the Insured and the Company regarding any aspect of this contract will be resolved as follows:

- i the Insured and the Company will endeavour to resolve the dispute amicably;
- ii the Insured and the Company (or either's nominees) shall, in the first instance, meet to discuss and resolve the dispute as soon as reasonably practicable, unless otherwise agreed in writing;
- iii in the event that the dispute has not been resolved to the satisfaction of any party within 28 days then the dispute may be referred to litigation and the parties will be free to pursue the appropriate remedy.

Insurance Act 2015

In respect of any

- i duty of disclosure; or
- ii effect of warranties; or
- iii effects of acts of fraud.

The rights and obligations which apply to You and Us shall be interpreted in accordance with the provisions of the Insurance Act 2015

Non Payment – Consumer Credit Termination

The Company reserve the right to terminate the Policy in the event that there is a default in instalment payments due under any linked loan agreement.

Rights of Third Parties

A person who is not party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Policy Exclusions

The Company shall not be liable to make any payment or provide any benefit or service in respect of any Claim, Loss or reported Remediation Costs or reported Business Interruption Loss:

1 Asbestos, Nuclear, Pollution & Electromagnetism

- A) directly or indirectly, arising out of, or resulting from, asbestos or any actual or alleged asbestos related loss, injury or damage involving the use, presence, existence, detection, removal, elimination or avoidance of asbestos or exposure to asbestos or asbestos containing materials;
- B) arising from, based upon, attributable to or as a consequence of, whether direct or indirect, or in any way involving:
 - i) ionising radiation or contamination by radioactivity or from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - ii) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or component thereof.
- C) caused by, arising out of, based upon, attributable to, as a consequence or in any way involving, pollution or directly or indirectly the actual, alleged or threatened discharge, dispersal, seepage, release or escape of pollutants or contamination of any kind;
- D) arising from, based upon, attributable to or as a consequence of any electromagnetic field, electromagnetic radiation or electromagnetism, which terms are defined as follows:
 - i) electromagnetic field means any field of force that is made up of associated electric and magnetic components;
 - ii) electromagnetic radiation means any succession of electromagnetic waves;
 - iii) electromagnetism means magnetism that is developed by a current of electricity.

2 Benefiting another Insured

based upon attributable to or arising out of any Claim brought by one Insured against another except for a Claim brought or alleged by an Employee against an Insured as a result of a Data Liability Event.

3 Bodily Injury

for any death or bodily injury provided that this Exclusion shall not apply to mental anguish or mental injury suffered as a result of a Data Liability Event or Network Security Event.

4 Contractual agreement and products supplied

- A) where legal liability has been accepted by agreement except to the extent that such liability would have attached in the absence of such agreement;
- B) arising from or in connection with any product supplied, manufactured, constructed, altered, repaired, treated, sold, supplied or distributed by or on behalf of the Insured or contract work executed by the Insured provided that this

exclusion (4B) shall not apply to Loss, Remediation Costs or Cyber Business Interruption Loss suffered as a result of a Data Liability Event or Network Security Event.

5 Directors & Officers

against any person employed, engaged or acting for You in their capacity as a director, officer, trustee or employee in respect of the performance or non-performance of their duties as a director, officer, trustee or employee.

6 Employment Practices Liability

arising from

- A) any obligation owed by the Insured as a past, present or potential employer to any Employee, including Claims for error, misstatement, misleading statement, omission or neglect or breach of duty for wrongful dismissal, discharge or termination under any contract of employment or under any retainer with any consultant or under any training contract or work experience placement;
- B) any person, whether by any Employee or not, alleging sexual, racial or other harassment or molestation, or sexual, racial, ethnic, disability, sexual orientation, religious or age discrimination or victimisation, or discrimination or victimisation of any other kind.

provided that the Company will pay indemnity as a result of any Claim against the Insured when alleged in conjunction with a covered Claim covered for a Data Liability Event or a Network Security Event.

7 External services

arising from any failure, outage, or disruption of power, utility services, satellites, or telecommunications external services not under the direct operational control of the Insured.

8 Fraud or Dishonesty

arising from, attributable to or based upon any reckless, deliberate, criminal or fraudulent acts by the Insured provided that the Company will pay indemnity as a result of any Claim against the Insured, or reported Remediation Costs or reported Business Interruption Loss when committed by an Employee which gives rise to a covered Claim for a Data Liability Event or a Network Security Event, Remediation event or Cyber Business Interruption Event.

Furthermore no indemnity shall be given in respect of any Claim or reported Remediation Costs or reported Business Interruption Loss howsoever arising against any Insured committing, condoning or knowingly participating in any way in any act or omission of a fraudulent or dishonest nature.

9 Financial or Trade Sanctions

for any coverage, or be liable to provide any indemnity, payment or other benefit under this Policy if and to the extent that doing so would violate or breach any Prohibition or restriction imposed by law, sanction or regulation.

If any such prohibition or restriction takes effect during the Period of Insurance You or the Company may cancel that part of this Policy which is so prohibited or restricted with immediate effect by giving written notice to the other at their last known address.

If the whole or any part of the Policy is cancelled the Company shall, if and to the extent that it does not breach any Prohibition, return a proportionate amount of the premium for the unexpired period subject to minimum premium requirements provided that:

- A) no circumstances that could reasonably be considered as being likely to give rise to a Claim or reported Remediation Costs or reported Business Interruption Loss under this Policy have been notified to the Company by the Insured; and
- B) no Claims or reported Remediation Costs or reported Business Interruption Losses have been paid by the Company or have accrued and are outstanding awaiting payment in respect of such claims, prior to the date on which such Prohibition or restriction took effect.

For this purposes of this clause, Prohibition shall mean any prohibition or restriction imposed by law or regulation.

10 Intellectual Property rights

arising directly or indirectly from the loss of, infringement or use of intellectual property rights, patents, trademarks, copyright registered design, trade secrets or confidential manufacturing, processing or servicing methods except to the extent that such information was used in the commission of a Claim otherwise covered under this Policy.

11 Insolvency

arising from any bankruptcy, liquidation or insolvency of any Insured or any other person, including a business process outsourcer or third-party service provider.

12 Money

arising from, attributable to, or based upon loss, transfer or theft of monies or securities of the Insured.

13 Previous Claim or Circumstance

- A) arising from, attributable to, or based upon any Circumstance known to the Insured or which should have been known to the Insured at the inception of this Policy which might reasonably be considered to produce a Claim or reported Remediation Costs or reported Business Interruption Loss; or
- B) notified under any insurance which was in force prior to the inception of this Policy; or
- C) for any Claim made against the Insured prior to the Period of Insurance.

14 Prior Written Consent

Loss, Remediation Costs or Cyber Business Interruption Loss that does not have the Company's prior written consent such consent not to be unreasonably withheld or delayed.

15 Product Defects and Recall

- A) in respect of loss of or damage to any
 - i) product supplied; or
 - ii) contract work executed
 by the Insured caused by any defect therein or the unsuitability thereof for its intended purpose.
- B) for the cost of recall, removal, repair, alteration, replacement or reinstatement of any
 - i) product supplied; or
 - ii) contract work executed
 necessitated by any defect therein or the unsuitability thereof for its intended purpose.

16 Professional Indemnity

arising from professional services provided for a fee or under contract.

17 Retroactive Date

otherwise eligible for indemnity under this Policy, where the cause of such Claim or Loss occurred, or was alleged to have occurred, prior to any Retroactive Date provided that this exclusion shall not apply Remediation Costs and Business Interruption Loss.

18 Tangible Property

arising from, attributable to, or based upon any loss of or damage or destruction to tangible property.

19 Terrorism

directly or indirectly caused by, resulting from or in connection with any action aimed at controlling, preventing, suppressing or in any way relating to an act of Terrorism. However, this exclusion will not apply to Loss or Remediation Costs.

20 War

arising from any physical act of war, invasion, or warlike operations (whether war be declared or not), civil war, riot, civil commotion, rebellion, revolution, insurrection, civil uprising or military or usurped power.

The acts, knowledge or conduct of any Insured shall not be imputed to any other Insured for the purposes of applying the Exclusions.

Making a Claim

Notification

Upon the Discovery of an actual, alleged or suspected Data Liability Event, Network Security Event or Cyber Business Interruption Event, the Insured must immediately give notice to the Company by calling the Incident Manager on the 24 hour Incident number below.

Incident Manager
Cyber Incident number: 0330 102 2999
Email: Cyber@ctplc.com

Charles Taylor Associates Limited
Claim Department – Cyber
Level 7
88 Leadenhall Street
London
EC3A 3BA

If during the Period of Insurance the Insured receives any Claim and is unable to call the 24 hour Incident helpline the Insured must give notice to the Incident Manager as soon as reasonably possible after a Claim has been first made provided that:

- A such notice shall be given to the Incident Manager during the Period of Insurance;
- B The Company will not make any payment unless notification is made in accordance with this section.

The Insured shall provide such information and documentation relating to a Claim, Loss, Remediation Costs or Business Interruption Loss as the Incident Manager or Company may reasonably require.

The Insured must give written notice to the Incident Manager of a Circumstance which might reasonably be considered to give rise to a Claim, specifying the reasons for anticipating such a Claim. If such notice is given, any Claim subsequently made against the Insured (whether or not made during the Period of Insurance) arising out of such Circumstance shall be deemed to have been made at the time such notice of Circumstances was given by the Insured to the Incident Manager, provided that any such Claim is notified as soon as reasonably possible after a Claim has been first made.

No Insured shall admit nor assume any liability, enter into any settlement agreement nor consent to any judgment in respect of any Claim without the prior written consent of the Incident Manager or the Company, such consent not to be unreasonably withheld or delayed.

Defence and Cooperation

- 1 The Company shall have the right (but is not obliged or required) to conduct in the name of the Insured the defence and settlement of any Claim, Remediation Costs or Business Interruption Loss insured, either in whole or in part under this Policy and appoint lawyers or other representatives for this purpose (even if any allegations against the Insured are groundless, false or fraudulent). Provided that the Company's right to conduct such defence or appoint such lawyer or other representatives shall cease upon exhaustion of the Limit of Indemnity.

- 2 With respect to any Claim or Circumstance notified under this Policy
 - A) all documents supporting any Claim or relevant to any Circumstance shall be forwarded to the Incident Manager immediately;
 - B) the Insured will at its own cost, render all reasonable assistance to and cooperate with the Company or Incident Manager as required;
 - C) the Insured will take all reasonable steps to mitigate Loss, Remediation Costs and Business Interruption Loss; and
 - D) the Company shall advance Defence Costs on an on-going basis and prior to the final disposition of a Claim over and above any applicable Excess

provided that if and to the extent it is finally established or determined that such Defence Costs (or any part thereof) are not insured under this Policy the Insureds severally according to their respective interests under this Policy shall repay such uninsured Defence Costs to the Company.

Other Insurance

If at any time any Claim arises under this Policy the Insured is or would but for the existence of this Policy be entitled to indemnity under any other policy or policies the Company shall not be liable except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been effected.

Partial Invalidity

If any provision of this Policy is, or becomes, invalid or unenforceable in accordance with the law to which this Policy is subject, such provision shall be deemed to be deleted and all other terms and conditions of this Policy shall remain in force and effect.

General Definitions

Business means the Business Description of the Insured as stated in the Schedule.

Business Interruption Loss means the **Insured's**

1 Gross Profit calculated as

(unless shown as Not Insured in the Schedule)

A) Reduction in Turnover

the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period falls short of the Standard Turnover in consequence of the Cyber Business Interruption Event; and

B) Increase In Cost of Working calculated as

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Cyber Business Interruption Event.

Provided that

- i) the sum shall not exceed the total of the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided plus 5% of the Limit of Indemnity, but not more than £250,000, whichever is the lesser;
- ii) Business Interruption Loss shall apply after the Waiting Period.

Or

2 Gross Revenue

(unless shown as Not Insured in the schedule)

A) Loss of Gross Revenue

the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Cyber Business Interruption Event; and

B) Increase In Cost of Working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Cyber Business Interruption Event.

Provided that the sum shall not exceed:

- i) the amount of the reduction in Gross Revenue thereby avoided plus 5% of the Limit of Indemnity, but not more than £250,000, whichever is the lesser;
- ii) Business Interruption Loss shall apply after the Waiting Period.

3 Mitigation Costs

Cyber Business Interruption Loss shall also include costs incurred to avoid or mitigate the effects of a system outage or network interruption, discover or minimize such interruption or degradation of the network, preserve evidence or substantiate the Insured's Loss.

Provided that You shall be accountable to the tax authorities for Value Added Tax and all terms under this Business Interruption Loss shall be exclusive of such tax.

Circumstance means any incident, occurrence, fact, matter or act or omission which might reasonably be considered to give rise to a Claim.

Claim means any written demand, notice before action or civil, criminal, judicial, administrative, regulatory or arbitral proceeding or investigation against the Insured seeking compensation or other legal remedy or penalty directly arising from a Data Liability Event or a Network Security Event.

Company means Royal & Sun Alliance Insurance plc.

Computer System means the following and is limited to computer systems which are either owned by the Insured or which are licenced or leased to the Insured by cloud or other outsource providers:

- 1 computers, desktops, laptops, mobile phones including Personal Digital Assistants (PDAs) or other similar transportable hand held devices, electronic storage devices, servers, intelligent routers and related peripheral components;
- 2 computer systems, applications, software or computer firmware; and
- 3 related communications networks

by which electronic data is collected, transmitted, stored or received and used in connection with the Business.

Credit Monitoring Costs means reasonable fees, costs and expenses for the monitoring services of identity or credit theft including the purchase of identity theft insurance for a period of 12 months from the date of any Data Liability Event.

Cyber Business Interruption Event means:

- 1 An Unauthorised Access; or
- 2 any
 - A) damage to the Insured's data or programs; or
 - B) system outage, network interruption, or degradation of the Insured's network.

caused by a Network Security Event

discovered and notified to the Incident manager during the Period of Insurance.

Cyber Extortion Costs means reasonable fees, costs and expenses and monies paid to employ the services of an external public relations consultant, crisis management firm, law firm and/or an independent advisor for the sole purpose of providing guidance to the Insured to investigate and determine the cause of such cyber extortion in order to minimise or limit adverse publicity, and terminate or mitigate any credible threat of a Cyber Business Interruption Event, Data Liability Event or Network Security Event resulting from an actual or attempted extortion, which occurred after inception of the Policy, by a third party, in so far as is lawful. Provided that:

- 1 any cyber extortion includes a request for ransom;
- 2 any cyber extortion has been notified and acknowledged by the Police (or equivalent body sanctioned by local, state, or national government to enforce laws and apprehend those who break them); and
- 3 the maximum liability of the Company during the Period of Insurance for Cyber Extortion Costs shall be the single aggregate limit of £100,000.

Cyber Extortion Costs shall not include a ransom or extortion payment

Data Liability Event means:

- 1 the loss or suspected loss of any third party non-public data or information for which the Insured is legally responsible on a Computer System; and
- 2 the breach of any Privacy Legislation worldwide by the Insured or someone for whom the Insured is legally responsible.

Data Restoration Costs means reasonable fees, costs and expenses for the restoration or replacement of data or programs that have been lost or damaged, and costs to prevent, minimise, or mitigate any further damage and preserve material evidence of criminal or malicious wrongdoings. These costs include the cost of purchasing replacement licenses for programs where necessary.

Data Restoration Costs do not include:

- 1 costs in consequence of failure to comply with manufacturer's recommendation relating to storage of data;
- 2 the value of the data at the time of its loss or destruction; or
- 3 salaries, commissions, emoluments, fees or any other benefits from employment or costs and overhead or other expenses normally incurred by the Insured.

Defence Costs means reasonable fees, costs and expenses (including but not limited to lawyers' fees and experts' fees) incurred by the Insured or the Company relating to the defence, settlement or appeal of a Claim. Defence Costs shall include the costs associated with the investigation, adjustment and defence of regulatory proceedings by an administrative or regulatory agency or similar government body, provided that Defence Costs shall not include:

- 1 salaries, commissions, emoluments, fees or any other benefits from employment or costs and overhead or other expenses normally incurred by the Insured;
- 2 principal, interest other money paid or due as the result of a loan, lease or extension of credit;
- 3 taxes, fines or penalties; or
- 4 Remediation Costs following a Data Liability Event or Network Security Event.

Director means any natural person serving in the position of:

a director of the company (including a shadow Director (as defined under Section 251 of the Companies Act 2006 or any equivalent provision) in the jurisdiction in which the company was incorporated) and

- 1 any person named in any prospectus issued by the Insured as a prospective director; or
- 2 any employee of the Insured whilst acting in a managerial or supervisory capacity.

Discovered or Discovery means when a Director, officer, company secretary, manager, trustee, equity partner or member of the Insured:

- 1 first learns of a Data Liability Event or a Network Security Event or a Cyber Business Interruption Event or any acts that might reasonably cause a Loss, Remediation Costs or Business Interruption Loss; or
- 2 first suspects (even without knowledge of such acts) that a Data Liability Event or a Network Security Event or a Cyber Business Interruption Event may have been committed that is likely to lead to Loss, Remediation Costs or Business Interruption Loss.

Discovery also means when the Insured receives notice of an actual or potential Claim against it alleging facts that if true would lead to a Loss or Business Interruption Loss.

Discovery by one person shall be regarded as Discovery by all persons.

Employee means any person other than a partner, Director or Principal acting under a contract of employment for the Insured in respect of the Business.

Excess means the amount or amounts specified in Item 4 of the schedule which You agree to pay in respect of:

- 1 a) Data Liability;
- b) Network Security;
- c) Remediation Costs

that part of each and every Claim or Loss as applicable

- 2 Cyber Business Interruption:
the Waiting Period

The Excess shall apply to Defence Costs, fees and expenses unless expressly stated otherwise.

Forensic Costs means reasonable fees, costs and expenses to investigate the cause, scope, extent or existence of any Data Liability Event, Cyber Business Interruption Event or Network Security Event.

Gross Profit means the amount by which the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Variable Costs.

Notes

- 1 The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.
- 2 The Uninsured Variable Costs shall have the meaning usually attached to them in the Your accounts.

Gross Revenue means the money paid or payable to the Insured for work done and services rendered in the course of the Business.

Incident Manager means Charles Taylor Adjusting Limited appointed by Royal & Sun Alliance Insurance plc to manage the Cyber Incident phone line.

Indemnity Period means the period beginning at the end of the Waiting Period, ending when the Business is restored to the same or equivalent condition, functionality and service that existed prior to the Cyber Business Interruption Event, but not exceeding a maximum period of 90 days.

Insured means You, any current, future or former employee (including Directors, officers, principals or partners) and any subsidiary at inception or acquired subsequent to inception provided notice is given to the Company of such acquisition and the Company has not objected within 30 days of such notice, and someone performing employment duties for whom You or any subsidiary is legally responsible.

Loss means judgments, settlements, awards, damages, costs and expenses (including claimants costs and expenses), and fines and penalties imposed by government or a regulator against the Insured to the extent permitted by law and where not otherwise excluded by this Policy. Loss shall also include Defence Costs provided that Loss shall not include:

- 1 aggravated exemplary or punitive damages awarded by any court outside of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;

- 2 diminution of the value of any tangible or intangible property unless awarded by judgement;
- 3 any amounts that are not connected to the Insured's Business or any Claim; and
- 4 any amounts for which the Insured is not legally liable.

Malware means any malicious code designed to:

- 1 erase, deny access to or corrupt data;
- 2 damage, destroy or disrupt the normal functioning of any network or system;
- 3 circumvent any network security product or service.

Network Security Event means:

- 1 the negligent or inadvertent transmission of any Malware to a third party for which the Insured is legally responsible; or
- 2 the negligent failure to secure the Insured's Computer System or network that results in Unauthorised Access.

Notification Costs means reasonable fees, costs and expenses in respect of notifying any natural person or legal entity whose data or information has been or may have been lost as a result of a Data Liability Event.

Period of Insurance means the period specified in Item 2 of the Schedule.

Privacy Legislation means the Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003, all published guidance by the Information Commissioners Office and the EU Data Protection Act or other similar laws protecting privacy elsewhere in the world.

Public Relations Costs means reasonable fees, costs and expenses for obtaining advice and support to protect, or mitigate any damage to the Insured's reputation.

Rate of Gross Profit means the rate which Gross Profit would have borne to Turnover, during the Indemnity Period, if the Cyber Business Interruption Event had not occurred and allowing for trends of the Business or circumstances which would have affected the Business irrespective of the Cyber Business Interruption Event occurring.

Related Claims means any Claims, Remediation Costs, Losses or Business Interruption Losses under any sections of this Policy, directly or indirectly arising out of or in any way connected with the same originating cause or event, related or series of acts, circumstances, transactions, errors, omissions or events and such Claims or Losses will be deemed to be a single policy Claim, reported at the date of the first such policy Claim.

Remediation Costs means any:

- 1 Credit Monitoring Costs;
- 2 Cyber Extortion Costs;
- 3 Data Restoration Costs;
- 4 Forensic Costs;
- 5 Defence Costs;
- 6 Notification Costs; and
- 7 Public Relations Costs.

Retroactive Date means the date specified in the Schedule.

Standard Turnover or Standard Gross Revenue means the Turnover or Gross Revenue which would have been obtained during the Indemnity Period, if the Cyber Business Interruption Event had not occurred and allowing for trends of the Business or circumstances which would have affected the Business irrespective of the Cyber Business Interruption Event occurring.

Terrorism

In Great Britain and Northern Ireland Terrorism means:

- 1 Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government whether legally established or not.

In so far that the insurance by this Policy is extended to include any situation elsewhere than in Great Britain and Northern Ireland Terrorism means:

- 2 any act including but not limited to the use of force or violence or the threat of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for political, religious, ideological or similar purposes including the intention to:
 - a) influence any government or any international governmental organisation; or
 - b) put the public or any section of the public in fear

in any action, suit or other proceedings where the Company alleges that by reason of this Exclusion any damage or loss resulting from damage is not covered by this Policy the burden of proving that such damage or loss is covered shall be upon You.

Turnover means the money paid or payable to You for work done, goods sold and delivered and services rendered in the course of the Business.

Unauthorised Access means access to and use of the Insured's computer system or network infrastructure by any person or persons not authorised to do so, including employees, or by an authorised person or persons in an unauthorised manner.

Uninsured Variable Costs means those costs that vary directly with the output or the sales revenue of a company and shall mean:

- 1 Purchases and related discounts,
- 2 bad debts

unless otherwise stated in the Schedule.

Waiting Period means the number of hours stated in Item 4 of the Schedule that must elapse before the recovery of Business Interruption Loss. The Waiting Period will only commence after the Insured has Discovered and has notified the Incident Manager of the Cyber Business Interruption Event.

You/Your means the means the entity named in Item 1 of the Schedule who shall act on behalf of all Insureds.

Fair Processing Notice

How we use your Information

Please read the following carefully as it contains important information relating to the details that You have given Us. You should show this notice to any other party related to this insurance.

Who we are

This product is underwritten by Royal & Sun Alliance Insurance plc. You are giving Your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group).

In this information statement, 'We' 'Us' and 'our' refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises all the details We hold about You and Your transactions and includes information obtained from third parties.

We may use and share Your information with other members of the Group to help Us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with You;
- Understand our customers' requirements;
- Develop and test products and services.

We do not disclose Your information to anyone outside the Group except:

- Where We have Your permission; or
- Where We are required or permitted to do so by law; or
- To credit reference and fraud prevention agencies and other companies that provide a service to Us, our partners or You; or
- Where We may transfer rights and obligations under this agreement.

We may transfer Your information to other countries on the basis that anyone We pass it to provide an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which You provided it. Details of the companies and countries involved can be provided on request.

From time to time We may change the way We use Your information. Where We believe You may not reasonably expect such a change We shall write to You. If You do not object, You will consent to that change.

We will not keep Your information for longer than is necessary.

Sensitive Information

Some of the information We ask You for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about You or others except for the specific purpose for which You provide it and to carry out the services described in Your policy documents. Please ensure that You only provide Us with sensitive information about other people with their agreement.

How to Contact Us

On payment to of a small fee, You are entitled to receive a copy of the information We hold about You. If You have any questions, or You would like to find out more about this notice You can write to:

Data Protection Liaison Officer
Customer Relations Office
RSA
Bowling Mill
Dean Clough
Industrial Estate
Halifax
HX3 5WA

Complaints Procedure

Our Commitment to Customer Service

At RSA We are committed to going the extra mile for our customers. If You believe that We have not delivered the service You expected, We want to hear from You so that We can try to put things right. We take all complaints seriously and following the steps below will help Us understand Your concerns and give You a fair response.

Step 1.

If Your complaint relates to Your policy then please contact the sales and service team in the office which issued the Policy or Your Broker. If Your complaint relates to a claim then please call the claims helpline number shown in Your policy booklet.

We aim to resolve Your concerns by close of the next business day. Experience tells Us that most difficulties can be sorted out within this time.

Step 2.

In the unlikely event that Your concerns have not been resolved within this time, Your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post: RSA Customer Relations Team
P O Box 255
Wymondham
NR18 8DP

Email: crt.halifax@uk.rsagroup.com

Our promise to You

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep You informed of progress
- Do everything possible to resolve Your complaint
- Use the information from Your complaint to proactively improve our service in the future.

Once We have received Your complaint We will issue our final decision in writing within 8 Weeks of the date We received Your complaint.

If You are still not happy

If You are still unhappy after our review, or You have not received a written offer of resolution within 8 Weeks of the date We received Your complaint, You may be eligible to refer Your case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints. They can be contacted at:

Post: Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London E14 9SR

Telephone: 0800 0234567 (free from standard landline, mobiles may be charged)
0300 1239123 (same rate as 01 or 02 numbers on mobile phone tariffs)

Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer Your complaints to the Financial Ombudsman Service. This does not affect Your right to take legal action. However, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Thank You for Your feedback

We value Your feedback and at the heart of our brand We remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If We have fallen short of this promise, We apologise and aim to do everything possible to put things right.



5th Floor
Meridien House
69-71 Clarendon Road
Watford
Herts
WD17 1DS
T: 01923 298 440
F: 01923 298 411