

**GENERAL INSURANCE CONDITIONS FOR CYBER INSURANCE
(VPP CYBER 01/2021)**

1. INSURANCE COVER

The insured event is the occurrence of damage in the scope of points 1.1 to 1.4 below, as a result of which the insurer's obligation to provide insurance indemnity, or where specified, a reimbursement, arises in accordance with these insurance conditions and the insurance contract.

In consideration of the payment of or agreement to pay the premium by the **Policyholder** on behalf of the **Insured**, the **Insurer** will pay, or where specified, reimburse the **Insured**, in excess of the applicable **Retention** and up to the Limit of Indemnity:

- 1.1 **Loss** of the **Insured** in respect of any **Claim** first made against the **Insured** and notified to the **Insurer** during the **Period of Insurance**;
- 1.2 **Business Interruption Loss** resulting from a **Business Interruption Event** commencing on or after the **Retroactive Date** and first discovered and notified by the **Insured** to the **Insurer** during the **Period of Insurance**;
- 1.3 **Remediation Costs** incurred by the **Insured** following an actual or threatened **Business Interruption Event**, **Data Liability Event** or **Network Security Event** first discovered by the **Insured** and notified to the **Insurer** during the **Period of Insurance**;
- 1.4 **Loss** of the **Insured** in respect of **PCI Fines and Assessment Costs** caused by a **Data Liability Event** discovered by the **Insured** and notified to the **Insurer** during the **Period of Insurance**.

2. GENERAL DEFINITIONS

- 2.1 **Business Interruption Event** means a **Cyber Event** that causes any unplanned system outage, network interruption, or degradation of the network of any **Cloud Service Provider**.
- 2.2 **Business Interruption Loss** means the **Insured's** loss of net profit, plus reasonable expenses necessary to maintain the operation, functionality or service of the **Insured's** business, as a direct result of a **Business Interruption Event**, but only:
 - (i) after the expiration of the **Waiting Period**; and
 - (ii) until the date on which the **Insured's** business is restored to the same or equivalent condition, functionality and service that existed prior to the loss, however not exceeding 180 days from the date on which the outage, interruption or degradation commenced, such 180 day period not to be limited by the expiration of the **Period of Insurance**.

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

Business Interruption Loss will not include:

- (i) any fines, damages or penalties incurred by the **Insured** due to the late or non-delivery of any orders;

- (ii) any loss resulting from the deliberate suspension or cancellation of any orders or contracts by the **Insured**.
- 2.3 **Claim** means any written demand, civil, criminal, judicial, administrative, regulatory or arbitral proceeding against the **Insured** seeking compensation or other legal remedy or penalty as a result of a **Data Liability Event, Media Liability Event** or **Network Security Event**.
- 2.4 **Cloud Service Provider** means any third party with whom the Insured has a written contract for the provision of computing services, infrastructure platforms or business applications.
- 2.5 **Credit Monitoring Costs** means reasonable fees, costs and expenses incurred with the consent of the **Insurer**, such consent not to be unreasonably withheld, 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**.
- 2.6 **Cyber Extortion Costs** means the reimbursement of reasonable fees, costs and expenses incurred by the **Insured**, or paid on the **Insured's** behalf with the prior written consent of the **Insurer**, such consent not to be unreasonably withheld, to terminate or mitigate any credible threat of a **Business Interruption Event, Data Liability Event** or **Network Security Event** resulting from an actual or attempted extortion by a third party.
- 2.7 **Cyber Event** means:
- (i) **Unauthorised Access**;
 - (ii) **Operator Error**;
 - (iii) a denial of service attack;
 - (iv) the introduction of any **Malware** into a network owned or operated by an **Insured**, including the network of any **Cloud Service Provider**.
- 2.8 **Data Liability Event** means:
- (i) the loss or suspected loss of any third party non-public data or information for which the **Insured** is legally responsible; or
 - (ii) the breach of any privacy legislation worldwide by the **Insured** or someone for whom the **Insured** is legally responsible;
- provided always that such **Data Liability Event** occurs on or after the **Retroactive Date** and notified during the **Period of Insurance** specified in the insurance policy/Schedule.
- 2.9 **Data Restoration Costs** means reasonable fees, costs and expenses for the restoration and/or replacement of data and/or programs that have been lost, erased corrupted or encrypted by a **Cyber Event** or **Data Liability Event** and costs to prevent or minimise any further damage and preserve material evidence of civil, criminal or malicious wrongdoings. These costs include the cost of purchasing replacement licenses for programs where necessary.
- 2.10 **Defence Costs** means reasonable fees, costs and expenses (including but not limited to lawyers' fees and experts' fees) incurred by the **Insured** relating to the defence, settlement or appeal of a **Claim**.

- 2.11 **Forensic Costs** means reasonable fees, costs and expenses of the **Insured** to investigate the cause, scope and extent of any **Data Liability Event**, **Business Interruption Event** or **Network Security Event**.
- 2.12 **Insured** means the **Policyholder**, and any subsidiary at inception and/or acquired subsequent to inception provided notice is given to the **Insurer** of such acquisition and the **Insurer** has not objected within 30 days of such notice, and that such acquisition does not have a revenue exceeding 10% of the Insured's revenue prior to the acquisition.
- 2.13 **Insurer** means Lloyd's Insurance Company S.A. Bastion Tower, Marsveldplein 5, 1050 Brussels, Belgium and registered with Banque-Carrefour des Entreprises / Kruispuntbank van Ondernemingen under number 682.594.839 RLE (Brussels); General Representative - Talbot Syndicate #5318.
- 2.14 **Legal Representation Expenses** means reasonable and necessary fees, costs and expenses incurred to obtain legal advice or representation to protect the **Insured's** interests in connection with a **Data Liability Event** or **Network Security Event**. **Legal Representation Expenses** shall include the costs associated with the investigation, adjustment and defence of regulatory proceedings.
- 2.15 **Loss** means judgments, settlements, awards, and costs, including, without limitation, damages, consumer redress funds, fines, penalties and punitive and exemplary damages in respect of a **Claim** covered under this policy to the extent permitted by law. **Loss** shall also include **Defence Costs** and **Legal Representation Expenses**.
- 2.16 **Malware** means any code designed to:
- (i) erase, deny access to or corrupt data, including but not limited to ransomware;
 - (ii) damage or disrupt any network or system;
 - (iii) circumvent any network security product or service.
- 2.17 **Media Liability Event** means any digital content or printed media created and displayed by the **Insured** directly leading to:
- (i) an infringement of any copyright, title, slogan, trademark, trade name, or domain name;
 - (ii) plagiarism, piracy, or the misappropriation or theft of ideas;
 - (iii) defamation, including the disparagement of any product or service; and
 - (iv) any breach of confidentiality or invasion or interference with any right of privacy.
- provided always that such **Media Liability Event** occurs in the course of the Insured's usual business practices and that such Media Liability Event occurs on or after the **Retroactive Date** and notified during the **Period of Insurance** specified in the insurance policy/Schedule. For the avoidance of doubt the manufacture, supply, retail or distribution of any tangible goods or products shall not be considered a **Media Liability Event**.
- 2.18 **Merchant Services Agreement** means a contractual agreement between the **Insured** and any other organisation which allows the **Insured** to accept payment by credit or debit card.
- 2.19 **Network Security Event** means:
- (i) the transmission of any **Malware** from the **Insured's** network, or from the network of any **Cloud Service Provider**;

- (ii) failure to secure the **Insured's** computer system or network that results in **Unauthorised Access**; and
- (iii) failure to prevent a denial of service attack launched from the **Insured's** network or from the network of any **Cloud Service Provider**,

provided always that such **Network Security Event** occurs on or after the **Retroactive Date** and notified during the **Period of Insurance** specified in the insurance policy/Schedule.

- 2.20 **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, or the cost of notifying any data protection authority or equivalent, as a result of a **Data Liability Event**.
- 2.21 **Operator Error** means the accidental erasure, destruction or modification of the Insured's **Insured's** data or programs by an employee or a **Cloud Service Provider**.
- 2.22 **PCI Fines and Assessment Costs** means all amounts that the **Insured** is legally required to pay under a **Merchant Services Agreement** following a **Data Liability Event** that leads to a breach of the Payment Card Industry Data Security Standard, including but not limited to fines, case management fees, non-compliance fees, re-imbusement of fraudulent transactions, and the costs incurred in card re-issuance and the appointment of a PCI Forensic Investigator.
- 2.23 **Period of Insurance** means the period specified in Item 2 of the Schedule.
- 2.24 **Policyholder** means the entity named in Item 1 of the Schedule.
- 2.25 **Public Relations Costs** means reasonable fees, costs and expenses incurred with the prior written consent of the **Insurer**, such consent not to be unreasonably withheld, for obtaining advice and support to protect, or mitigate any damage to, the **Insured's** reputation.
- 2.26 **Remediation Costs** means any:
- (i) **Credit Monitoring Costs**;
 - (ii) **Cyber Extortion Costs**;
 - (iii) **Data Restoration Costs**;
 - (iv) **Forensic Costs**;
 - (v) **Legal Representation Expenses**;
 - (vi) **Notification Costs**; and
 - (vii) **Public Relations Costs**.
- 2.27 **Retention** means the amount the **Insured** must pay as the first part of each and every claim for indemnity under this policy (or it is deducted from the calculated indemnity) after application of all other terms and conditions of this policy.
- 2.28 **Retroactive Date** means the date specified in Item 7 of the Schedule.
- 2.29 **Unauthorised Access** means use of the **Insured's** computer system or network infrastructure by any person or persons not authorised to do so, including employees.
- 2.30 **Waiting Period** means the number of hours stated in Item 4 of the Schedule which must elapse following a **Business Interruption Event** before a **Business Interruption Loss** is agreed to have occurred. The **Waiting Period** will apply to each **Business Interruption Event**. For the avoidance

of doubt, once the **Waiting Period** is satisfied only the monetary Retention will apply to **Business Interruption Losses**.

3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment or provide any benefit or service in respect of any **Claim** or **Loss**:

- 3.1 for death, bodily injury or loss of or damage to tangible property, however this exclusion shall not apply to mental anguish or mental injury as a result of a **Data Liability Event** or **Network Security Event**. For the avoidance of doubt data held in electronic format is not tangible property.
- 3.2 arising from, attributable to, or based upon any fact or circumstance known to the **Insured** prior to the inception of the **Period of Insurance**.
- 3.3 arising from, attributable to or based upon any intentional, criminal or fraudulent acts committed or condoned by any Principal, Partner or Director of the **Insured**.
- 3.4 arising from any failure, outage, or disruption of power, utility services, satellites, or telecommunication external services not under the direct operational control of the **Insured**.
- 3.5 arising from any act of war, invasion, or warlike operations, civil war, riot, civil commotion, rebellion, revolution, insurrection or civil uprising.
- 3.6 arising from any bankruptcy, liquidation or insolvency of the **Insured** or any other person, including any **Cloud Service Provider**.
- 3.7 to the extent that such cover, payment, service, benefit and/or any business or activity of the **Insured** from which the **Claim** or **Loss** arises would violate any applicable trade or economic sanctions or any law or any regulation of European Union, the United Kingdom or the United States of America or United Nations resolutions worldwide. This provision overrides all other terms of this policy.
- 3.8 arising from or representing the costs for the upgrading or betterment of any application, system or network of the **Insured**.
- 3.9
 - (i) brought against a director or officer of the **Insured**, in their capacity as such
 - (ii) arising from any obligation owed by the **Insured** as an employer or potential employer to any employee, including claims for wrongful dismissal or under any contract of employment or under any retainer with any consultant or under any training contract or work experience placement;
 - (iii) whether by any employee or not, alleging sexual, racial or other harassment or molestation, or sexual, racial, ethnic, disability, sexual orientation, religious and/or age discrimination or victimisation, or discrimination or victimisation of any other kind.
- 3.10
 - (i) 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;
 - (ii) arising from, based upon, attributable to or as a consequence of, whether direct or indirect, or in any way involving:

- (a) ionising radiation or contamination by radioactivity or from any nuclear fuel or from any nuclear waste;
 - (b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or component thereof.
- (iii) 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, release or escape of pollutants;
- (iv) arising from, based upon, attributable to or as a consequence of any electromagnetic field, electromagnetic radiation or electromagnetism, which terms are defined as follows:
- (a) electromagnetic field means any field of force that is made up of associated electric and magnetic components;
 - (b) electromagnetic radiation means any succession of electromagnetic waves;
 - (c) electromagnetism means magnetism that is developed by a current of electricity.
- 3.11 arising from any fire, lightning, explosion, aircraft, impact or any other natural peril.
- 3.12 arising from the loss of any unencrypted portable media by the **Insured**; such media includes, but is not limited to: laptops, smart phones, tablets, and memory sticks.
- 3.13 arising out of any violation of anti-Spam or telemarketing legislation worldwide.
- 3.14 arising out of the electronic transfer of any funds, monies or goods belonging to the **Insured**, or for which the **Insured** is legally liable.
- 3.15 arising from any contractual liability assumed by the **Insured**, unless such liability would have attached in the absence of such contract. This exclusion shall not apply to Insuring Cover 1.4.
- 3.16 arising out of the misappropriation or infringement of patent or trade secret.
- 3.17 arising out of the actual or alleged failure to render any professional services.
- 3.18 made by an **Insured** against another **Insured**. This shall not apply to any **Claim** brought by a director, officer or employee arising from a:
- (i) **Media Liability Event**; or
 - (ii) **Data Liability Event**.
- 3.19 arising out of the actual or alleged breach of securities law, unfair competition or anti-trust laws, deceptive trade practices, or restraint of trade or antitrust statute, legislation or regulation.
- 3.20 arising out of the actual or alleged violation of the Organized Crime Control Act of 1970 ("Racketeer Influenced And Corrupt Organizations Act"), as amended, or any regulation promulgated under the

foregoing statutes, or any similar federal, state, local or foreign laws, whether such law is statutory, regulatory or common law.

4. GENERAL CONDITIONS

LIMIT OF LIABILITY

- 4.1 The limit of liability shown in Item 3 of the Schedule is the maximum amount the **Insurer** will pay under this policy, including **Defence Costs**, irrespective of the number of **Claims, Losses**, or **Business Interruption Losses**.
- 4.2 The **Insurer** may, in its sole discretion, elect to discharge its liability to the **Insured** fully and finally in respect of any **Claim(s)** covered under this policy by either (a) paying the applicable limit of indemnity (less any sums previously paid) to the **Insured** or (b) paying a sum less than the limit of indemnity when the **Claim(s)** can be settled for such a lesser sum.
- 4.3 If a **Claim** is settled by a payment to a third party and such payment is not 100% insured under this policy, the **Insurer** will be liable for no more than a proportionate share of the **Defence Costs** based on the insured proportion of such payment (and, for the avoidance of doubt, the **Insurer's** liability is always subject to the limit of liability, inclusive of **Defence Costs**, per clause 4.1 above).

RELATED CLAIMS

- 4.4 Any **Claims** or **Losses** under all applicable sections of this Policy, directly or indirectly arising out of or in any way connected with the same originating cause or event, will be deemed to be a single claim, reported at the date of the first such claim. Any **Claims** or **Losses** under all applicable sections of this policy, triggering more than one coverage section, will be deemed to be a single claim.

CLAIMS HANDLING AND NOTIFICATION

- 4.5 It is a condition precedent to the **Insurer's** liability that the **Insured** complies with each of the provisions of this clause 4.5. If the **Insured** fails to do so, the **Insurer** may (a) reject any claim for an indemnity under this policy; or, at its absolute discretion (b) elect to indemnify the **Insured** to the extent the **Insurer** would have been liable to pay in the absence of any prejudice in the handling or settlement of any **Claim** or notifiable circumstance under this policy which arises from the **Insured's** breach of condition precedent:
- 4.5.1. The **Insured** shall notify any **Claim, Loss, or Business Interruption Event** to the agreed incident response provider as detailed in Item 8 of the Schedule, as soon as reasonably practicable, but in no case later than 7 (seven) days after the **Insured** has become aware of such incident. The **Insured** shall provide such information and documentation relating to the **Claim, Loss, or Business Interruption Event** as the **Insurer** may require in its sole discretion.
- 4.5.2 The **Insured** may give notice to the **Insurer** during the Period of Insurance of circumstances which may reasonably be expected 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** alleging, arising out of or in any way connected with such circumstances shall be deemed to have been made at the time such notice of circumstances was given by the **Insured** to the **Insurer**. The **Insured** shall provide such

information and documentation relating to the notification as the **Insurer** may require in its sole discretion.

- 4.5.3 No **Insured** shall (expressly or impliedly) admit nor assume any liability, make a compromise, enter into any settlement agreement, waive any rights nor consent to any judgment in respect of any **Claim, Loss** or notifiable circumstances without the prior written consent of the **Insurer**, such consent not to be unreasonably withheld or delayed.
- 4.5.4 The **Insured** shall co-operate with the **Insurer**, including but not limited to any counsel, advisor or specialist incident response provider that the **Insured** shall appoint to investigate any **Claim** or **Business Interruption Event**, and shall provide all such information and documents as the **Insurer** shall require in its sole discretion.
- 4.6 Should coverage under this Policy be excluded, suspended, or lost because of non-compliance with Clause 4.5, if the **Insured** would default solely due to the failure to give such notice or concealment of such failure, then this Policy shall cover the **Insured** with respect to the **Claim** or **Loss**, provided that the **Insured** complies with Clause 4.5 promptly after obtaining knowledge of noncompliance.
- 4.7 Should coverage under this Policy be excluded, suspended, or lost because of Exclusion 3.3 applying, then such insurance as would otherwise be afforded under this Policy shall be provided to those of the **Insured** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof.

DEFENCE COSTS AND LEGAL REPRESENTATION EXPENSES

- 4.8 Subject to the **Insured's** compliance with the provisions of paragraphs 4.5, and to the **Limit of Liability** and **Retention** set out in the Schedule to this Policy, the **Insurer** agrees to advance **Defence Costs** on an on-going basis and prior to the final disposition of a **Claim**. The **Insured** agrees to refund all such **Defence Costs** should it be found that the **Claim** is not valid.

CALCULATION OF BUSINESS INTERRUPTION LOSS

- 4.9 In order to determine the **Insured's Business Interruption Loss** following a **Business Interruption Event** under Insurance Cover 1.2, the **Insured** shall provide to the **Insurer** proof of that loss as soon as is reasonably practicable after the **Insured's** notification of the **Business Interruption Event** to the **Insurer**. The proof of loss shall set out the calculation of the loss and the basis upon which the **Insured's** believes that the loss is covered under this Policy and shall include such documentary evidence as is reasonably necessary to support the calculation.
- 4.10 If the **Insurer** considers that the **Insured** has not discharged the proof of loss requirement above or disagrees with the **Insured's** calculations, the **Insurer** shall promptly inform the **Insured**, provide the **Insured** with the **Insurer's** reasons for its view and inform the **Insured** of what further information is needed to determine or substantiate the amount of the loss.
- 4.11 The **Insurer** may appoint an auditor or loss adjuster to assist in the evaluation of the **Insured's** claimed loss. Should the **Insurer** make such an appointment, the **Insured** shall cooperate with the auditor or loss adjuster and provide them with any information, documentation or assistance the auditor or loss adjuster may request. Additionally, the **Insurer** shall bear the costs charged by the auditor or loss adjuster.

CHANGE OF CONTROL

- 4.12 If during the **Period of Insurance** any person, group or entity acquires control of more than 50% of the issued share capital of the **Policyholder** or of the composition of the board of the **Policyholder**, the cover provided by this policy shall be restricted so as to apply only to **Claims** in respect of **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 **Insurer** has agreed to extend coverage under the policy and the **Policyholder** has agreed to the terms of any such extension of coverage.

SUBROGATION

- 4.13 If the **Insurer** makes any payment under this Policy and there is available to the **Insurer** any of the **Insured's** rights of recovery against any third party, then the **Insurer** shall maintain all such rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. This includes, but is not limited to, placing any third party on notice of any rights the **Insured** or the **Insurer** may have against it. The **Insured** shall do nothing to prejudice such rights. Any recoveries shall be first applied to subrogation expenses, second to any amounts paid or reimbursed by the **Insurer** under the Policy, and third to the Retention set out in Item 4. Any additional amounts shall be paid to the **Insured**.

OTHER INSURANCE AND INDEMNIFICATION

- 4.14 This Policy is primary to any other valid and collectible insurance policies available to the **Insured**.

ASSIGNMENT

- 4.15 This Policy and any rights under it cannot be assigned without the prior written consent of the **Insurer**.

APPLICABLE LAW

- 4.16 This agreement and any dispute or claim between the **Insured** and the **Insurer** arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the jurisdiction as set out in Item 9 of the Schedule. If any term of this agreement is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality, or unenforceability and all other terms of this agreement shall remain in full force and effect.

ARBITRATION

- 4.17 All disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated with or derived from this agreement, shall be resolved by arbitration. The seat of the arbitration will be as specified in item 10 of the Schedule.

INDEMNITY AND SETTLEMENT

- 4.18 The **Insurer** has the right but not the duty to assume control, defence and settlement of any **Claim** or investigation. At any stage of a **Claim** the **Insurer** may choose to pay the **Limit of Liability** or any amount that remains following any earlier payment(s).

- 4.19 With respect to any **Claim**, if the **Insured** refuses to consent to a settlement the **Insurer** recommends and the claimant will accept, the **Insured** may continue the defence and investigation of that **Claim**. However, the further costs and expenses incurred will be paid by the **Insured** and the **Insurer** on a proportional basis, with 25% payable by the **Insurer** and 75% payable by the **Insured**.
- 4.20 The **Insurer** shall have the right to make an investigation it deems necessary including, without limitation, any investigation with respect to the Application and statements made in connection with the procurement of the policy and with respect to coverage.

USE OF FIREWALL, ANTI-VIRUS, BACK UP OF DATA & PCI COMPLIANCE

4.21 The **Insured** warrants as follows:

- 4.21.1 The **Insured** will deploy and maintain commercial grade anti-virus and firewall across the **Insured's** network.
- 4.21.2 The **Insured**, or the **Insured's Cloud Service Provider**, will back-up critical data at least every 7 days. Where such data is copied to portable media, such portable media will be secured off-site.
- 4.21.3 The **Insurer's** liability for a **Loss**, suffered by the **Insured** under insuring clause 1.4 (**PCI Fines and Assessment Costs**), is conditional on the **Insured** being compliant with the relevant Payment Card Industry Data Security Standard in relation to all circumstances leading up to the **Loss**.

4.22 If the **Insured** breaches any warranty under clause 4.22, the **Insurer's** liability under this policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The **Insurer** will have no liability to the **Insured** for any loss which occurs, or which is attributable to something happening, during the period when the **Insurer's** liability is suspended. If the **Insured's** breach of warranty leads to prejudice to the **Insurer**, the **Insurer** may at its absolute discretion elect instead to indemnify the **Insured** to the extent the **Insurer** would have been liable to pay in the absence of such prejudice, notwithstanding any suspension of cover.

DUTY OF FAIR PRESENTATION

4.23 Before this insurance contract (or any variation thereto) is entered into, the **Insured** must make a fair presentation of the risk to the **Insurer** in any application, proposal form or other information submitted to the **Insurer**. This means the **Insured** must:

- 4.23.1 disclose to the **Insurer** (i) every material circumstance which the **Insured** knows or ought to know or (ii) sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium); and
- 4.23.2 make the disclosure in clause 4.23.1 above in a reasonably clear and accessible way; and
- 4.23.3 ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.

4.24 If the **Insured** fails to comply with clause 4.23, the **Insurer** may terminate the insurance contract or withdraw from it.

TERRITORIAL SCOPE OF COVER

- 4.25. Insurance under these policy conditions covers damages, claims and costs incurred throughout the whole world, including the United States and Canada.

5. FINAL PROVISIONS

5.1 This insurance is governed by the insurance contract, the Civil Code, other generally binding legal regulations of the Czech Republic and these insurance conditions. In the event of a conflict, the insurance contract takes precedence over the insurance conditions. These insurance conditions together with the insurance contract form one integral unit.

5.1.1 The beneficiary is a person who, as a result of the insured event, acquires the right to indemnity.

5.1.2 The insured risk means an act, omission or other fact that may cause an insured event.

5.2 If an entrepreneur is the **policyholder**, it shall apply the same acts with expertise, care and caution and the protective provisions for contracts concluded in an adhesion manner shall not apply.

5.3 The Insurance is arranged as loss insurance.

5.4 If the **policyholder** arranges insurance for the benefit of another person, he is obliged to inform him about the insurance and to acquaint him with the content of the contract.

INCEPTION, DURATION AND TERMINATION OF INSURANCE

5.5 The inception and duration of the insurance are specified in the insurance contract. An annual insurance period is agreed. The termination of the insurance is governed by the relevant legal regulations governing the insurance.

5.6 The insurance also terminates upon withdrawal from the insurance contract in the event that:

- a) a decision on the bankruptcy of the **policyholder** or the **insured** has been published,
- b) that the insolvency petition was rejected due to the lack of property of the **policyholder** or the **insured**,
- c) that there has been a material breach of the obligations arising from the insurance contract, on the date of delivery of the withdrawal to the other party.

5.7 The insurance also expires at the end of the period for which the premium is paid, in case of a dissolution of the insured company without a legal successor.

PREMIUM

5.8 The Premium is agreed as regular. Payment of the Premiums in instalments does not affect the length of the Insurance period.

5.9 If the Premium is not paid in due time, the **insurer** may claim default interest in an amount laid down in the applicable legal regulations.

5.10 The **insurer** may unilaterally change the amount of the regular Premium for the following Insurance period, in particular in the following cases:

5.10.1 In the event of a change in the generally applicable legislation or court practices that has an effect on damages or damage or on the determination of the amount of the indemnity or the amount of the costs of the **insurer**;

5.10.2 Where there is an increase in insurance claims for reasons beyond the control of the **insurer** (e.g. price changes, tax increases and/or the number and frequency of insured events);

5.10.3 if the **insurer** discovers material facts that increase the insurance risk in such a way that the **insurer**, having known these facts, would have concluded this insurance contract under other conditions;

5.10.4 if the premium is not sufficient to ensure the permanent fulfillment of the **insurer's** obligations arising from legal regulations or the insurance contract or insurance conditions.

If the **insurer** changes the amount of the Premium, it will notify the **policyholder** not later than two months before the due date of the Premium for the Insurance period in which the amount of the Premium is to be changed. If the **policyholder** does not agree with the change, it may notify the insurer thereof in writing in one month from the day it learnt about it. In such a case the Insurance will be terminated upon the expiry of the Insurance period for which the Premium was paid.

5.11 If the **policyholder** has been given a discount on the premium for the stipulated length of the policy period and the insurance was terminated for any reasons on the part of the **policyholder** or the insured before this period has expired, the **policyholder** is obliged to return to the **insurer** the amount corresponding to the provided discount for the entire period of insurance.

5.12 Insurance is not interrupted for non-payment of the Premium.

FORM OF NEGOTIATION, DELIVERY

5.13 The Insurance Contract can be negotiated and changed and further legal actions leading to the termination of the Insurance may also be taken in the form of a simple email without electronic signature by which the relevant draft of the Insurance Contract and/or its draft amendment as well as the relevant legal actions leading to the termination of the Insurance as well as the acceptance of such a draft, change or legal actions leading to the termination of the Insurance will be sent. This is without prejudice to sections 2758 and 2759 of the Civil Code.

5.14 The correspondence address and contact details (electronic address and telephone number) communicated by the insurance participant to the insurer are used for delivery. The insurance participants are obliged to notify the insurer without undue delay of any change in the correspondence address and contact details.

5.15 Documents whose receipt was refused by the addressee (the moment of delivery is the day of such refusal) and documents stored with the postal service provider (the moment of delivery is the last day of the storage period) are also considered delivered. If the addressee knowingly defeats service, the document is deemed to have been duly served. It is also a deliberate frustration if the insurance participant has not notified the **insurer** of a change in the data decisive for delivery.

5.16 Unless a different moment of delivery is proved, it is considered that the document sent using the postal service provider was delivered to the addressee on the 3rd working day after sending, resp. 15th working day after dispatch when sending abroad. The document delivered to the e-mail address

is delivered on the day it was delivered to the addressee's e-mail box. In case of doubt, it is considered to have been delivered on the day of its dispatch by the sender.

COMPLAINTS NOTICE – CZECH REPUBLIC

Any complaint should be addressed to:

Service Manager
Operations Team
Lloyd's Insurance Company S.A.
Bastion Tower
Marsveldplein 5
1050 Brussels
Belgium

Tel: +32 (0)2 227 39 40
E-mail: lloydsbrussels.complaints@lloyds.com

Your complaint will be acknowledged, in writing, within 5 (five) business days of the complaint being made.

A decision on your complaint will be provided to you, in writing, within 8 (eight) weeks of the complaint being made.

Should you remain dissatisfied with the final response or if you have not received a final response within 8 (eight) weeks of the complaint being made, you may be eligible to refer your complaint to the Czech National Bank. The contact details are as follows:

Czech National Bank
Consumer Protection Department
Na Příkopě 28
115 03 Prague 1
Czech Republic

Tel: 22 441 4359/2887
Fax: 22 441 2261
E-mail: spotrebitel@cnb.cz
Website: www.cnb.cz/en/consumer/consumer_protection/index.html

If you have purchased your contract online you may also make a complaint via the EU's online dispute resolution (ODR) platform. The website for the ODR platform is www.ec.europa.eu/odr.

The complaints handling arrangements above are without prejudice to your right to commence a legal action or an alternative dispute resolution proceeding in accordance with your contractual rights.

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COMPLAINTS NOTICE – SLOVAKIA

Any complaint should be addressed to:

Service Manager
Operations Team
Lloyd's Insurance Company S.A.
Bastion Tower
Marsveldplein 5
1050 Brussels
Belgium

Tel: +32 (0)2 227 39 40
E-mail: lloydsbrussels.complaints@lloyds.com

Your complaint will be acknowledged, in writing, within 5 (five) business days of the complaint being made.

A decision on your complaint will be provided to you, in writing, within 8 (eight) weeks of the complaint being made.

Should you remain dissatisfied with the final response or if you have not received a final response within 8 (eight) weeks of the complaint being made, you may be eligible to refer your complaint to the National Bank of Slovakia. The contact details are as follows:

National Bank of Slovakia
Department for the Protection of Financial Consumers
Imricha Karvaša 1
813 25 Bratislava
Slovakia

Tel: 02 5787 1111 or 02 5787 3371
E-mail: info@nbs.sk or spotrebitel@nbs.sk
Website: www.nbs.sk/en/consumer/about-us/how-to-file-a-complaint

If you have purchased your contract online you may also make a complaint via the EU's online dispute resolution (ODR) platform. The website for the ODR platform is www.ec.europa.eu/odr.

The complaints handling arrangements above are without prejudice to your right to commence a legal action or an alternative dispute resolution proceeding in accordance with your contractual rights.

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18/03/2019