

CYBER INSURANCE CERTIFICATE

The Contract of Insurance

This **Certificate** is a contract of insurance between **You** and **Us**. In return for the premium shown in item 12 of the **Schedule** that **You** have paid or agreed to pay **We** agree to insure **You** in accordance with the terms and conditions contained in or endorsed on this **Certificate**.

You should take the time to read all its terms, especially the conditions which **You** have to fulfil to ensure that **Your** insurance remains valid and what **You** have to do when making a claim.

Important

In deciding to insure **You** and in setting the terms and premium, **We** have relied on the **Proposal**. **You** must ensure that all information provided in the **Proposal** is accurate and complete. **You** must disclose every material circumstance **You** know or ought to know, and provide a fair presentation of the information required to enable **Us** to assess **Your** insurance risk, both at the commencement of the **Period of Insurance** or at the subsequent renewal of this **Certificate**.

It is important that **You**:

- check that the information **You** have given **Us** is accurate and complete
- comply with **Your** duties as set out in this **Certificate**.

If this **Certificate** does not meet **Your** requirements, or if **Your** requirements change, **You** should contact **Your** Broker at your earliest opportunity.

Renewal

MUM will write to **Your** Broker at least 21 days before the **Period of Insurance** ends with renewal terms or with full details of the information that **MUM** will require in order to offer renewal terms. Please contact **Your** Broker if **You** do not want to renew this **Certificate**. Occasionally, **We** may not be able to offer to renew **Your Certificate**. If this happens, **We** will write to **Your** Broker at least 21 days before the expiry of **Your Certificate** to allow enough time for **You** to make alternative insurance arrangements.

Interpretation

- words and expressions appearing in bold type shall bear the meanings given against the word or expression in the section of this **Certificate** headed 'Definitions'.
- headings are for ease of reference only and shall not be taken into account in construing this **Certificate**.
- references to masculine include the feminine and vice versa;
- the singular includes the plural and vice versa;
- reference to any legislation, statute or statutory provision shall include any amendment or replacement;
- references to any position, title or legislation shall include their equivalent in the relevant jurisdiction.

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INSURING CLAUSES

What is covered

In return for the premium shown in item 12 of the **Schedule** that **You** have paid or agreed to pay **We** shall indemnify **You** up to the **Limit of Liability** (save where a **Sub-limit of Liability** shall apply to any particular Insuring Clause as expressly provided for in the **Schedule**. Such **Sub-limits of Liability** shall form part of and not be in addition to the **Limit of Liability**) as follows:

A. FIRST PARTY COVERAGE

For any:

1. **Breach Management Expense;**
2. **Data Recovery Cost;**
3. **Business Interruption Loss;**
4. **Reputational Harm;**
5. **Extortion Expense;**
6. **Cyber Theft Loss;**
7. **Telephone Hacking Loss;**
8. **Social Engineering Fraud;**

Provided always that any actual or reasonably suspected **System Security Failure, Privacy Breach, Extortion Threat, Financial Loss or Unauthorised Access** is first discovered by the **Executive Officers** during the **Period of Insurance** and is reported to **Us** during the **Period of Insurance**.

B. LIABILITY & REGULATORY COVERAGES

1. **Cyber Liability**

For any **Damages** and **Defence Costs and Expenses** in respect of any **Claim** arising out of an actual or alleged **System Security Failure** or **Privacy Breach** by **You** or others for whom **You** are legally liable.

2. **Payment Card Industry Liability**

For any **PCI Loss** and **Defence Costs and Expenses** in connection with a **PCI Demand** imposed upon **You** as a consequence of actual or alleged non-compliance with **PCI DSS** by **You** or others for whom **You** are legally liable.

3. **Regulatory Proceedings**

For any **Regulatory Penalties**, to the extent that such **Regulatory Penalties** are insurable under applicable laws, and **Defence Costs and Expenses** in connection with an investigation or regulatory proceeding initiated against **You** and arising out of an actual or alleged **System Security Failure** or **Privacy Breach** by **You** or others for whom **You** are legally liable.

4. **Multimedia Liability**

For any **Damages** and **Defence Costs and Expenses** in respect of any **Claim** arising out of an actual or alleged **Multimedia Wrongful Act** by **You** or others for whom **You** are legally liable.

Provided always that such **Damages, Defence Costs and Expenses, PCI Loss** and **Regulatory Penalties** result from **Claims, PCI Demands** or investigations or regulatory proceedings first made or issued against **You** during the **Period of Insurance** and reported to **Us** during the **Period of Insurance** or any applicable **Extended Reporting Period**.

C. ADDITIONAL COVERAGES

1. Attendance Expenses

In the event that **We** require any of **You** to attend any court or other judicial tribunal **We** shall pay **You** compensation at the following rates:

£500 per day for any current partner, member, director or **Executive Officer**.

£250 per day for any **Employee**

The **Sub-limit of Liability** applying to this Insuring Clause shall not exceed the amount stated in item 7.1 of the **Schedule** in the aggregate for the **Period of Insurance**. No **Excess** is payable in respect of this Insuring Clause.

2. Loss Mitigation Expenses

For all reasonable and necessary costs and expenses that **You** incur with **Our** prior written consent in order to avoid or wholly or partially reduce the cost of any **Claim, Circumstance** or other loss under this **Certificate**, including:

2.1 salaries and benefits to **Employees** directly resulting from such **Employee's** co-operation in the investigation, mitigation or defence of such **Claim, Circumstance** or loss;

2.2 the aggregate cost incurred by **You** in relation to the issuance and redemption of a coupon, discount or other incentives offered by **You** in order to preserve the goodwill of **Your** customers and to minimise harm to **Your** brand or reputation.

Provided always that, in relation to all Insuring Clauses, in the event that **We** have already paid the full amount of the **Limit of Liability We** shall not be obliged to provide **You** with any further indemnity under this **Certificate**.

EXCLUSIONS

What is not Covered

These exclusions are applicable to the entire **Certificate** unless otherwise specified.

We will not indemnify **You** under this **Certificate** against anything arising directly or indirectly from or in any way connected with:

1. Risks that should be insured elsewhere

1.1 Bodily Injury

any bodily injury except for the wrongful infliction of emotional distress or mental anguish arising from a **System Security Failure, Privacy Breach, Extortion Threat or Multimedia Wrongful Act**.

1.2 Property Damage

any damage to or destruction of any property, which shall not include **Data**.

1.3 Intellectual Property

Your infringement, misappropriation or violation of any intellectual property except:

1.3.1 in respect of any loss resulting from a **System Security Failure or Privacy Breach**, committed by **You** or others for whom **You** are legally liable; or

1.3.2 as expressly insured under Insuring Clause B. Third Party Coverages, 4. Multimedia Liability.

1.4 Patent Infringement

Your actual or alleged infringement of patent rights.

1.5 Professional Indemnity

Your rendering or failure to render professional services to others, except for any **Claim** or loss arising from a **System Security Failure or Privacy Breach**.

2. Betterment

any enhancement to the quality of the **Computer System** following a **System Security Failure, Privacy Breach or Extortion Threat**. However, **You** may enhance the **Computer System** where such enhancement results in **Our** loss arising from such **System Security Failure, Privacy Breach, or Extortion Threat** being no more than would otherwise have been incurred under this **Certificate**.

3. Infrastructure failures

any failure or interruption caused by whatsoever reason of access to an infrastructure provider, including telecommunications, internet service, satellite, cable, electricity, gas, water or other utility service provider.

4. Contractual liability

Your breach of any contract, agreement, warranty or guarantee, but this does not apply to:

4.1 any liability that would have applied to **You** in the absence of such contract, agreement, warranty or guarantee;

4.2 any breach of **Your** privacy policy;

4.3 any **PCI Loss** in connection with a **PCI Demand** imposed upon **You** as a consequence of actual or alleged non-compliance with **PCI DSS** by **You** or others for whom **You** are legally liable.

5. **Connected Entity**

or brought by any **Connected Person** whether alone or jointly with any other person or party except where the claim is brought against the **Connected Person** by an unconnected **Third Party** and where the claim would otherwise fall to be covered by this **Certificate**.

6. **Known Matters**

any **System Security Failure, Privacy Breach, Extortion Threat, Regulatory Proceeding, PCI Demand, Claim or Circumstance** known to the **Executive Officers** (or of which the **Executive Officers** ought to have been aware) before the date of commencement of the **Period of Insurance** or before the first day that **You** were insured with **Us** under a materially similar cyber insurance, if this **Certificate** is a consecutive renewal of such insurance with no breaks in cover, whichever is the earlier.

7. **Dishonesty and Fraud**

any malicious, deliberate, dishonest or fraudulent act by any **Executive Officer** or by an **Employee** where an **Executive Officer** knew or had good reason to know of such conduct by the **Employee**.

However, **We** will pay **Defence Costs and Expenses** until there is a non-appealable adjudication establishing such conduct.

For the avoidance of doubt, this exclusion applies separately to each of **You** and does not apply to any of **You** who did not commit, participate in or condone such conduct by the culpable person.

8. **Radiation, War and Terrorism**

8.1 **Radiation**

8.1.1 loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, or

8.1.2 any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

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

8.2 **War**

or happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

8.3 **Terrorism**

or otherwise as a consequence of any act or acts of force or violence undertaken, for whatever reason, with the aim of influencing or overthrowing of any government or public authority or with the aim of making the public fearful. However, this exclusion shall not apply to an act of **Cyber Terrorism**.

9. **The Excess**

any amount not exceeding the **Excess**.

10. Pollution

or which is in any way related to or a consequence of any kind of seepage, **Pollution** or contamination.

11. Sanctions

or to the extent that to do so would expose **Us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

12. Unlicensed Software

any use of illegal or unlicensed software.

13. USA Exclusions

13.1 any actual or alleged violation of any of the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, or any similar federal or state law or any common law relating thereto;

13.2 any actual or alleged violation of the Racketeer Influenced and Corrupt Organisations Act 18 USC Section 1961 et seq and any amendments thereto or any rules and regulations promulgated thereunder;

13.3 any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 and any amendment thereto or any rules and regulations promulgated thereunder; however this exclusion does not apply to the extent that coverage would have applied under Insuring Agreements B. 1. Security & Privacy Liability or B. 3. Regulatory Proceedings;

13.4 any actual or alleged violation of the CAN-SPAM Act of 2003 or any amendment thereto, prohibiting the dissemination of unsolicited communications including the Telephone Consumer Protection Act of 2001.

CLAIMS AND HOW TO MAKE A CLAIM

If **You** need to notify us of a **Claim, Circumstance** or loss then please contact the entity named in item 10 of the **Schedule** for this purpose. It will assist if **You** have details of **Your Certificate** and cover available.

Claims Conditions

If **You** fail to comply strictly with any of the Claims Conditions below then **We** may be entitled to reduce the amount that **We** pay.

1. Notification

When and what to notify

You must notify the appropriate entity named in item 10 of the **Schedule** as soon as reasonably possible if an **Executive Officer** receives, discovers or becomes aware of:

- 1.1 any **System Security Failure, Privacy Breach, Extortion Threat, Claim** or **PCI Demand**;
- 1.2 a **Circumstance**.

Notification under this clause must be made irrespective of **Your** view on liability or the validity of the matter or potential matter, whether **Our** assistance will be required, or whether it will result in a loss.

If **You** provide notice under paragraph 1.2 above then any **Claim** made subsequently and arising from the notification will be deemed to have been notified to **Us** during the **Period of Insurance**.

2. Consent Provisions

2.1 **You** must not make any offer, promise, admission of liability, incur any expense, including any **Extortion Expense**, or settle in part or in full, any loss in respect of which **We** might otherwise be obliged to indemnify **You** under this **Certificate** without **Our** prior written consent unless specifically permitted in paragraph 2.2 below.

2.2 **You** may, without notifying **Us** first:

- 2.2.1 pay **Breach Management Expenses** in order to comply with any laws or regulations which require notification to regulators and/or to affected individuals;
- 2.2.2 issue a public acknowledgement of a **Privacy Breach**, as required by law or regulation, which in the reasonable opinion of the **Executive Officers** is likely to impact personal information.

However, **You** must notify the **Breach Response Team** as soon as reasonably possible.

3. Information and assistance

Following notification under Claims Condition 1 above, **You** must promptly provide **Us** and all those appointed to act on **Our** behalf with all documents and information that **We** may request and promptly provide all assistance and co-operation that may be required for the investigation, defence or settlement of the notified matter.

4. Conduct

Following notification under Claims Condition 1, **We** shall be entitled to take over the conduct of any **Claim** and, at **Our** own expense, to defend or settle the **Claim** as **We**, in **Our** sole discretion, think fit. However, **We** cannot require **You** to continue to contest any **Claim** unless a Queen's Counsel (to be agreed upon between **Us** and **You**) advises that the **Claim** should be contested. The costs of such reference to a Queen's Counsel are to be borne equally by **Us** and **You**.

5. **Late notification**

We will not exercise any right to decline to accept any notification on the basis of any failure to comply with Claims Condition 1.1 of this **Certificate** provided always that in the event that **We**, in **Our** sole opinion, believe that **You** have prejudiced the handling or settlement of any **Claim** or loss under this **Certificate** then the amount payable by **Us** (including **Defence Costs and Expenses**) in respect of that **Claim** or loss will be reduced by such an amount as **We** think would have been payable in the absence of such prejudice.

6. **Fraud**

If **You** make any claim under this **Certificate** (or have made a claim under any previous insurance policy) which **You** know or ought to know to be false or fraudulent in any way, this **Certificate** shall become void and all of **Your** rights under this **Certificate** shall be forfeited.

7. **Payment of Limit of Liability**

At any time:

7.1 **We** may pay to **You** an amount equal to the **Limit of Liability**; or

7.2 if **We** reasonably consider that a **Claim** may be settled for less than the **Limit of Liability** then **We** may pay to **You** that lesser amount.

If **We** make such a payment it will be in full and final settlement of any liability **We** may have to indemnify **You** under this **Certificate**. **We** will then relinquish conduct and control of the **Claim** and have no further liability in respect of it. For the avoidance of doubt this means that **We** will not be liable for any **Defence Costs and Expenses** that may be incurred after the date upon which any such payment is made by **Us**.

GENERAL CONDITIONS

These are the conditions of the **Certificate** that **You** or **We** need to meet or that govern how it will operate. **We** may need to reject a claim or a claim payment could be reduced if **You** do not meet these conditions. **Your Certificate** may not be valid in some circumstances.

1. Waiver of right to avoid

We will not exercise any right to avoid this **Certificate** or to decline to indemnify for non-disclosure or misrepresentation on the basis of any untrue statement of facts or misrepresentation made in the **Proposal** or any supplementary information or statement given provided always that:

- 1.1 **You** can establish to **Our** satisfaction that such non-disclosure or misrepresentation was innocent and free of any fraudulent conduct or intent to deceive; and
- 1.2 the premium and terms and conditions of this **Certificate** shall be adjusted at **Our** sole discretion to those that would have applied had full and accurate disclosure been provided to **Us** at the relevant time.

If such non-disclosure or misrepresentation consists of or includes a failure to inform **Us** of any **Claim** or **Circumstance** then Exclusion 6 shall not apply provided always that:

- 1.3 there was a valid insurance in place immediately preceding the date of commencement of the **Period of Insurance** and at the time that **You** should have notified the matter; and
- 1.4 If the **Claim** or **Circumstance** should have been notified under such preceding insurance then, where this **Certificate** affords greater or wider cover than that to which **You** would have been entitled under the preceding insurance, **We** shall only be liable to indemnify **You** to the extent that you would have been entitled under the preceding insurance.

Where **We** waive any right to avoid or to decline to indemnify (however arising) then in the event that **We** in **Our** sole opinion reasonably believe that **You** have prejudiced the handling or settlement of any **Claim** then the amount payable by **Us** (including **Defence Costs and Expenses**) in respect of that **Claim** will be reduced by such an amount as **We** fairly and reasonably think would have been payable in the absence of such prejudice.

2. Subrogation and recoveries

2.1 Subrogation

You must promptly provide **Us** with all documents and information that **We** may request and provide **Us** with all assistance and co-operation that **We** may require in order to try and obtain reimbursement from any person or entity of any payment that **We** make under this **Certificate**. **We** shall be entitled to undertake in **Your** name or on **Your** behalf such steps to enforce rights against any person or entity as may be necessary, before or after **We** make payment under the **Certificate**.

2.2 Waiver of subrogation against employees

We will not exercise any subrogation rights against an **Employee** unless the claim under this **Certificate** has been brought about or contributed to by the dishonest, criminal or malicious act or omission of the **Employee** or where the **Employee** either conspired to commit or condoned a dishonest, criminal or malicious act or omission.

2.3 Recoveries

All money recovered by **Us** exercising **Our** rights of subrogation, following any payment made by **Us** under this **Certificate**, shall be applied in the following order:

- 2.3.1 First, in reimbursement of all costs and expenses incurred by **Us** in obtaining such recovery;

2.3.2 Secondly, in reimbursement of all loss borne by **You** in the event that **Your** loss exceeds the **Limit of Liability**;

2.3.3 Thirdly, in reimbursement of all sums paid by **Us** under this **Certificate**; and

2.3.4 Fourthly, in reimbursement of the **Excess** paid by **You**.

3. **Premium Payment**

You agree to pay the premium in full to **Us** within sixty (60) days of inception of the **Period of Insurance** and that if the premium has not been so paid **We** shall have the right to cancel this **Certificate** by giving **You** fourteen (14) days' notice in writing. If **We** exercise this right then the premium payable by **You** shall be due to **Us** pro-rata for the period during which **We** have been on risk during the **Period of Insurance** unless any notification has been made in accordance with Claims Condition 1 prior to the expiry of the notice period in which case the full premium shall be due and payable.

We agree that if the premium due is paid in full to **Us** before the notice period expires, **Our** notice of cancellation shall be withdrawn automatically.

4. **Third party rights**

You and **We** are the only parties to this contract and no other person or party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any rights under this **Certificate**, but this does not affect the ability of any **Third Party** to enforce any other right or remedy they may have.

5. **Assignment**

Assignment of interest under this **Certificate** will not bind **Us** unless and until **Our** written consent is endorsed hereon.

6. **Document management**

We may hold documents relating to this insurance and any claims under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

7. **Invalidity**

If any provision of this **Certificate** is found to be invalid by any competent court or administrative body this will not affect the validity of any other provision in this **Certificate**.

8. **Governing law**

This **Certificate** is governed by English law and is subject to the jurisdiction of the Courts of England and Wales.

In the event of any dispute between us as to the meaning, effect or validity of this **Certificate** then the dispute should be referred to a sole arbitrator who shall have exclusive jurisdiction to determine the dispute. In the event that the parties fail to agree on the appointment of a particular arbitrator then an arbitrator shall be appointed by the President for the time being of the Chartered Insurance Institute.

9. **Language**

The language of **Your Certificate** and any communication throughout the duration of the **Period of Insurance** will be English.

10. Notices

Any notice to be given under this **Certificate** must be sent by pre-paid first class post and shall be deemed to have been received:

10.1 by **You** if it is sent to **Your** last known address or to **Your** broker; and

10.2 by **Us** if sent to **MUM**.

11. Territorial Limits

The coverage granted under this **Certificate** applies to any **System Security Failure, Privacy Breach, Extortion Threat, Multimedia Wrongful Act** or non-compliance with **PCI DSS** committed or alleged to have been committed anywhere in the world.

12. Several liability notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

13. Manchester Underwriting Management

Manchester Underwriting Management Limited acts as **Our** agent and not for **You**.

14. Termination of Certificate for specified events

This **Certificate** will immediately and automatically be terminated in the event of any of the following:

14.1 the presentation of a petition seeking the appointment of a receiver or the making of a winding up order or the appointment of an administrator over **You** or the making of a Court order to that effect;

14.2 the passing of a resolution for the appointment of a liquidator, receiver or administrator or on the appointment of a liquidator, receiver or administrator over any of **Your** assets;

14.3 the suspension by **You** of a payment of **Your** debts or the entering into a voluntary arrangement or other scheme of composition with **Your** creditors by **You** or any equivalent court application, order, appointment or arrangement in any jurisdiction in which **You** may be domiciled.

15. Multiple Insureds

If more than one party is entitled to indemnity under this **Certificate** then the total amount which **We** will pay in respect of any **Claim** will not exceed the amount which **We** would be liable to pay if there were only one party entitled to indemnity.

16. Related claims or losses

Multiple **Claims** or losses arising from the same or a series of related or repeated **System Security Failures, Privacy Breaches, Extortion Threats**, non-compliance with **PCI DSS** or **Multimedia Wrongful Acts** (or a combination thereof) or from any continuing **System Security Failures, Privacy Breaches, Extortion Threats**, non-compliance with **PCI DSS** or **Multimedia Wrongful Acts** will be considered a single **Claim** or loss for the purposes of this insurance made on the date the first such **Claim** was made or loss discovered.

17. Other insurance

This insurance is primary to any other valid and collectible insurance in respect of loss covered under this **Certificate**.

18. Changes in ownership and acquisitions

- 18.1 **You** must notify us as soon as possible if **You** merge with or are acquired by another business. In such an event, coverage shall continue until the end of the **Period of Insurance**, but only in respect of **System Security Failures, Privacy Breaches, Extortion Threats, Multimedia Wrongful Acts** or non-compliance with **PCI DSS** which occurred prior to the date of such merger or acquisition.
- 18.2 If an entity ceases to qualify as a **Subsidiary** under this **Certificate**, coverage for such entity shall continue until the end of the **Period of Insurance**, but only in respect of **System Security Failures, Privacy Breaches, Extortion Threats, Multimedia Wrongful Acts** or non-compliance with **PCI DSS** which occurred prior to the date of such cessation.
- 18.3 If **You** acquire an entity whose annual turnover does not exceed 15% of the consolidated annual turnover as set forth in **Your** most recently audited consolidated financial statements then the newly acquired entity shall be included for coverage under this **Certificate** from the effective date of the acquisition, but only for **System Security Failures, Privacy Breaches, Extortion Threats, Multimedia Wrongful Acts** or non-compliance with **PCI DSS**, which occurred after the effective date of acquisition.
- 18.4 If **You** acquire an entity whose annual turnover is more than fifteen percent (15%) of **Your** annual turnover as set forth in **Your** most recently audited consolidated financial statements, then the newly acquired entity shall be included for coverage under this **Certificate** for a period of thirty (30) days from the effective date of the acquisition, but only for **System Security Failures, Privacy Breaches, Extortion Threats, Multimedia Wrongful Acts** or non-compliance with **PCI DSS**, which occurred after the effective date of acquisition. If, coverage is required beyond thirty (30) days then **You** must provide **Us** with such details of the acquisition and agree to such additional conditions and pay such additional premium as **We** may require.

19. Automatic Extended Reporting Period

If **We** choose not to offer renewal terms, then **You** will automatically be granted an **Extended Reporting Period** of sixty (60) days following such non-renewal. This automatic **Extended Reporting Period** shall cover **Claims** first made and reported to **Us** during this automatic **Extended Reporting Period**, but solely in respect of **System Security Failures, Privacy Breaches, Multimedia Wrongful Acts** or non-compliance with **PCI DSS**, which occur prior to the expiry of the **Period of Insurance**.

The **Limit of Liability** under this automatic **Extended Reporting Period** will be part of and not in addition to the **Limit of Liability** for the **Period of Insurance**.

However, this automatic **Extended Reporting Period** shall not apply if **You** have obtained any other insurance against substantially the same risks as those covered under this **Certificate**.

DEFINITIONS

In this **Certificate** where the following words appear in bold type they shall have these meanings:

- Aggregate Excess** shall mean the Aggregate Excess stated in item 8.2 of the **Schedule**.
- Breach Management Expenses** shall mean all reasonable and necessary **Third Party** fees, costs and expenses, including fees, costs and expenses to comply with the recommendations of the **Breach Response Team**, or under Claims Condition 2.2, incurred by **You** as a consequence of a **System Security Failure, Privacy Breach, Extortion Threat** or non-compliance with **PCI DSS** in order to:
- a. identify and comply with any legal or regulatory obligation;
 - b. pursue **Your** rights to an indemnity under a written agreement with a **Third Party**;
 - c. investigate the cause and scope of any **System Security Failure, Privacy Breach, Extortion Threat**, or non-compliance with **PCI DSS**;
 - d. avoid or minimise any deterioration in **Your** business or any damage to **Your Computer System**, provided always that such fees costs and expenses shall not amount to more than the total value of the potential loss under this **Certificate**;
 - e. end or contain any **System Security Failure, Privacy Breach, Extortion Threat**;
 - f. preserve evidence of any criminal wrong-doing;
 - g. minimise harm to **Your** brand or reputation which is reasonably likely to arise from unfavourable media reports, provided always that **We** shall only indemnify such fees, costs and expenses for a maximum period of twelve (12) months following and as a consequence of any **System Security Failure, Privacy Breach, Extortion Threat** or non-compliance with **PCI DSS**;
 - h. notify regulators and others affected by such **System Security Failure, Privacy Breach, Extortion Threat**, or non-compliance with **PCI DSS**, whether or not such notification is legally required;
 - i. provide customer support services including credit and identity monitoring services, the costs of purchasing identity theft insurance, and call centre costs to answer questions from affected individuals.
- Breach Response Team** shall mean the entity or service provider stated in item 9 of the **Schedule**.
- Business Interruption Loss** shall mean **Your** reduction in net profit or increase in net loss including fixed operating expenses (including payroll) incurred during the **Indemnity Period**, which results from the total or partial interruption, degradation in service, or failure of the **Computer System** as a consequence of **System Security Failure**. Such loss shall be calculated by forensic accountants appointed by **Us**.

The basis for calculating **Your** loss shall be the reasonable projection of net profit or net loss that **You** would have earned, taking into account previous trading patterns and market conditions, less any net income that

You actually earn (adjusted for any reasonable increased costs of working or cost savings made) during the **Indemnity Period**.

Certificate	shall mean this document and any accompanying Schedule and endorsements to it.
Circumstance	shall mean any circumstance, event or state of affairs which, in the opinion of the Executive Officers , may reasonably be expected to give rise to a Claim or loss of a kind that may be covered under this Certificate .
Claim	shall mean any: a. written demand for monetary or non-monetary compensation or relief, including injunctive relief; b. written assertion of any right against You .
Computer System	shall mean any technology system, including input and output devices, data storage devices, network equipment, digital telephone systems, wired or wireless ancillary devices that are owned, operated or controlled by You or by an Outsourcer .
Connected Person	shall mean: a. any business owned, controlled or managed, directly or indirectly, by You ; or b. any person or entity that owns, controls or manages, directly or indirectly, any part or the whole of Your business.
Cyber Terrorism	shall mean any act or series of acts or threat thereof of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation through the use of computer systems, to destroy, disrupt or subvert any Computer System and/or its content, with the intention to cause harm or committed for religious, ideological or political purposes including but not limited to the influencing of any government and/or to put the public or a section of the public in fear.
Cyber Theft Loss	shall mean the theft or loss of Your money or other asset as a consequence of Unauthorised Access .
Damages	shall mean a monetary settlement or a judgement or award that You are legally obliged to pay, including: a. pre- or post judgement interest; b. punitive, exemplary and multiple damages, where insurable by any applicable law; c. claimant's legal fees. Damages shall not mean or include: i. fines and penalties; ii. liquidated damages to the extent that such damages exceed the amount that You would have been liable to pay in the absence of such liquidated damages agreement; iii. restitution or disgorgement of profits.

Data shall mean any readable information, irrespective of the way it is used or rendered (text, figures, voice or images), including **Software**, transmitted or stored in a digital format outside the random access memory (RAM).

Data Recovery Costs shall mean all reasonable and necessary **Third Party** costs and expenses that **You** incur to restore, replace, repair or regain access to **Your Data** that has been damaged, destroyed, altered, corrupted, distorted, stolen or misused as a consequence of **System Security Failure**. However, if it is determined that **Your Data** cannot be restored, replaced, repaired or that **You** cannot regain access to such **Data**, **Our** liability to indemnify such costs and expenses shall be limited to the actual costs and expenses that **You** have incurred up to the point of such determination.

Defence Costs and Expenses shall mean all reasonable and necessary **Third Party** costs and expenses incurred by **You** or on **Your** behalf in connection with the investigation, defence or settlement of any **Claim** or potential **Claim** or in respect of any investigation or regulatory proceeding or **PCI Demand** for which **You** are insured under this **Certificate**.

Employee shall mean any individual in **Your** service, including part-time, seasonal, temporary staff and self-employed subcontractors under **Your** direction and control.

Excess shall mean:

- a. for Insuring Clause A. FIRST PARTY COVERAGE, 3. **Business Interruption Loss** only:

the excess applicable to each loss shall be the excess as stated in item 8.4 of the **Schedule** and is the number of hours that must elapse from the start of the total or partial interruption, degradation in service or failure of the **Computer System**, before **We** are liable to make any payment for **Business Interruption Loss**. Once this period has elapsed, **Your Business Interruption Loss** will be calculated from the start of the total or partial interruption, degradation in service, or failure of the **Computer System**. However, **We** shall only be liable to pay in excess of the amount stated in item 8.1 of the **Schedule** or the **Business Interruption Loss** incurred during the period stated in item 8.4 of the **Schedule**, whichever is calculated to be the lesser amount and therefore most favourable to **Your** indemnification under this **Certificate**.

- b. for all other insured **Claims** or losses the following excess applies:

the excess applicable to each **Claim** or loss is the amount stated in item 8.1 of the **Schedule** which shall be payable by **You** before **We** make any payment.

in the event that the aggregate amount payable by **You** to satisfy the excess for all losses covered under this certificate equals the value of

the **Aggregate Excess**, then the value of the excess shall be reduced to that of the **Maintenance Excess**, which shall apply to each future loss covered under this **Certificate**.

If, because of partial exhaustion, **Your** unpaid balance of the **Aggregate Excess** is less than the value of the **Maintenance Excess** then the **Maintenance Excess** shall apply to each loss covered under this **Certificate** and in no event shall **We** be liable for any amounts until **You** have paid the excess applicable to each **Claim** or loss or the **Maintenance Excess**, whichever is the greater.

Executive Officer	shall mean Your Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Security Officer, Data Protection Officer, Risk Manager or General Counsel or the functional equivalent of any of the foregoing.
Extended Reporting Period	shall mean the period of time immediately after the end of the Period of Insurance , which has been agreed for the reporting of a Claim under this Certificate .
Extortion Expense	shall mean all reasonable and necessary Third Party fees, expenses and monies paid by You to investigate and end an actual Extortion Threat , including payment of the extortion demand, where permissible by law.
Extortion Threat	shall mean: a. any credible Third Party threat to perpetrate an attack against the Computer System or to publicly disclose; or b. any actual attack against the Computer System or public disclosure of; confidential corporate information or personal data which was misappropriated from You as a result of a System Security Failure whilst it was in Your care, custody or control or the care, custody or control of others for whom You are legally liable.
Financial Loss	shall mean Your money, securities or other assets (which shall not include any Third Party money, securities or other assets in Your care, custody or control) being paid, transferred, delivered or otherwise lost.
Fraudulent Instruction	shall mean a fraudulent written, electronic or telephone instruction provided by a Third Party that misleads an Employee .
Indemnity Period	shall mean the period of time commencing upon the date when the total or partial interruption, degradation in service, or failure of the Computer System began and ends on the earlier of: a. Ninety (90) days after the date when the Computer System is restored to the same functionality that existed prior to the total or partial interruption, degradation in service, or failure of the Computer System ; or

- b. Three hundred and sixty five (365) days after the total or partial interruption, degradation in service, or failure of the **Computer System**.

Limit of Liability shall mean the amount stated in item 7 of the **Schedule** which is the maximum, aggregate amount of **Our** liability to pay under this **Certificate** including **Defence Costs and Expenses**, regardless of the number of Insuring Clauses triggered, **Claims** or other losses for which **You** are insured under this **Certificate**.

Maintenance Excess shall mean the Maintenance Excess stated in item 8.3 of the **Schedule**.

Multimedia Content shall mean content on **Your** website or social media pages, including user generated content, and **Your** printed literature.

Multimedia Wrongful Act shall mean:

- a. any form of defamation, libel or slander;
- b. infringement of any intellectual property rights, but not including patent;
- c. emotional distress or outrage based upon harm to the character or reputation of any person or entity;
- d. breaches of moral rights, failure to attribute authorship or to provide credit, passing-off, piracy or plagiarism or any misappropriation of trade secrets or content, concepts, format rights or ideas or breach of a contractual warranty relating to intellectual property rights;
- e. invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness;
- f. unfair competition or deceptive trade practices, but only when such are asserted in connection with and based upon the same **Claim**, which results from alleged wrongful acts under paragraphs a – e inclusive;

arising from any **Multimedia Content**.

MUM shall mean Manchester Underwriting Management Limited whose address is Link House, St. Mary's Way, Chesham, Buckinghamshire, HP5 1HR, who act as **Our** agent.

Outsourcer shall mean any **Third Party** that provides **You** with outsourced business process services, pursuant to a written contract, including information technology services, cloud services, data processing, data hosting and storage, subject always to the provisions of Exclusion 3. Infrastructure failures.

PCI Demand shall mean a demand received from a payment card brand, acquiring bank, financial institution or payment processor that accepts, transacts or processes credit or debit card payments or both on **Your** behalf for fines or chargebacks.

PCI DSS	shall mean the applicable Payment Card Industry Data Security Standards published by the Payment Card Industry.
PCI Loss	shall mean amounts that You become legally obligated to pay under an agreement between You and a payment card brand, acquiring bank, financial institution or payment processor that accepts, transacts or processes credit or debit card payments or both on Your behalf including: <ul style="list-style-type: none"> a. monetary assessments of loss (including operational expenses, card reissuance costs and card fraud recoveries); b. contractual fines or penalties; c. costs of a mandatory audit following a Privacy Breach or System Security Failure in order to demonstrate that You are compliant with PCI DSS.
Period of Insurance	shall mean the period stated in item 6 of the Schedule .
Pollution	shall mean <ul style="list-style-type: none"> a. all pollution or contamination of buildings or land or structures or of water or the atmosphere, and b. all loss, damage or bodily injury directly or indirectly caused by or arising from such pollution or contamination.
Privacy Breach	shall mean actual or alleged: <ul style="list-style-type: none"> a. breach of duty, infringement, or violation of any individual's rights to privacy or confidentiality, including wrongful disclosure of personal data; b. breaches of Your privacy policy; c. breach of any rights of confidentiality, including breaches of non-disclosure agreements or similar agreements regarding the confidentiality of information; d. failure to provide notice of an actual or potential wrongful disclosure of personal data or confidential information in violation of statute or regulation; e. failure to develop, implement and manage data protection practices as required by statute or regulation.
Proposal	shall mean all information supplied by You to Us by written, electronic or any other means.
Regulatory Penalties	shall mean civil fines and penalties that You become obligated to pay as a consequence of an adverse finding by a regulator, ombudsman, professional body or similarly empowered authority.
Reputational Harm	shall mean Your reduction in net profit or increase in net loss incurred during the Reputational Indemnity Period , which directly results from the termination of current or future customer or client contracts, where such termination arises from: <ul style="list-style-type: none"> a. a System Security Failure; or b. a Privacy Breach.

	Such loss shall be calculated by forensic accountants appointed by Us .
Reputational Indemnity Period	shall mean three hundred and sixty five (365) days after discovery by an Executive Officer of: <ul style="list-style-type: none"> a. a System Security Failure; or b. a Privacy Breach.
Schedule	shall mean the schedule attached to this Certificate .
Social Engineering Fraud	shall mean Your Financial Loss arising directly from a Fraudulent Instruction .
Software	shall mean any digital standard, customised or individual developed program or application held or run by a Computer System that comprises a set of instructions that are capable, when incorporated in a machine readable medium, of causing a machine with information processing capabilities to indicate, perform or achieve a particular function, task or result.
Sub-limit of Liability	shall mean the amount stated in the Schedule which is the maximum, aggregate amount of Our liability to pay under the applicable Insuring Clause regardless of the number of losses for which You are insured under this Certificate .
Subsidiary	shall mean any entity, including joint ventures, where You directly or indirectly hold 50% or more of the voting rights; or have the right to appoint or remove 50% or more of the Board of Directors or management committee members; general partners; or members of a management board.
System Security Failure	shall mean: <ul style="list-style-type: none"> a. Unauthorised Access or Unauthorised Use; b. the loss or theft of data, including confidential information held in a physical format such as printed literature and other documents; c. malware including ransomware attacks or denial of service attacks against the Computer System; d. the use of the Computer System to conduct malware attacks or denial of service attacks against a Third Party; e. the unintended spreading of malware which emanates from or passes through Your Computer System; f. failure of Your power supply or under/over voltage where such power supply is under Your direct operational control; or g. failure by You or by others acting on Your behalf to prevent, secure or protect the Computer System against accidental, unintentional or negligent acts, errors or omissions by an Employee or Outsourcer. This does not include any errors in the programming or a general failure of systems.

Telephone Hacking Loss	shall mean Your loss arising from unintended or unauthorised call or bandwidth charges as a consequence of Unauthorised Access .
Third Party	shall mean any person or entity who is not one of You .
Unauthorised Access	shall mean the gaining of access to the Computer System by any unauthorised party.
Unauthorised Use	Shall mean the use of the Computer System by an authorised party in an unauthorised manner.
Us/Our/We	shall mean the Insurer or Insurers stated in the Schedule of Insurers.
You/Your	shall mean: <ul style="list-style-type: none"> a. the Insured named in item 4 of the Schedule and any Subsidiary (together, the "Insured Organisation"); b. Any past, present or future, Employee, officer, director, partner, member, principal or owner of the Insured Organisation, but only whilst acting within the scope of their duties as such; c. Your estate, heirs, executors, administrators, assigns and legal representatives in the event of death, incapacity, insolvency or bankruptcy of any of You, but only to the extent that coverage would otherwise have been provided to You under this Certificate.