



CYBER RISK INSURANCE

Policy wording



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Your Policy

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

This Policy and any Policy Schedule (including any Schedule issued in substitution), Statement Of Fact and endorsements, 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.

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.

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.

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 041 6164

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, Multimedia 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.

Claims Panel

Our Cyber Notification line is provided by Our Incident Managers.

RSA is involved in all Claims from start to finish, keeping everyone updated throughout. RSA have carefully chosen our partners for their expertise in this complex field.

Our Cyber Claims panel consists of experienced experts who have both a global and local presence. They are available to support You as soon as an event is recognised by Us.

Incident Managers Loss Adjusters	Devise and project manage the action plan to get Your business back on track as soon as possible.
IT Forensics	Provide IT expertise to trace, identify and resolve the source of the issue. They also assist with repairing the damage by recovering any lost data.
Forensic Accountants	Provide an accurate assessment of the financial impairment.
Legal & Defence	<p>Provide data protection and privacy advice in the immediate aftermath of an incident to address legal liabilities on a local, regional and global scale, including the identification and content of any legal notification requirements.</p> <p>RSA partner Legal experts who can provide pragmatic and cost effective Claim solutions in partnership with You.</p>
Public relations advice	Ensures that the Business can respond fast to minimise the damage to their reputation, by assessing the gravity of the situation and putting in place the required response plan. This supports the continued success and growth of a brand in the aftermath of a destructive cyber event.
Credit and identity monitoring	Provide the ongoing monitoring services to put the minds of customers at rest. and minimise the subsequent costs of an incident.

And will be appointed and managed, where required, by our Incident Managers with You.

Cyber Insurance

Cyber Risk Insuring Clauses

Subject to payment of all applicable insurance premiums, the Company shall indemnify the Insured up to the Cyber Risk Limit of Indemnity against:

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

for 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 Extensions

The following coverage Extensions shall be provided where shown as 'Insured' in the Schedule:

1 Multimedia Activities

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 Multimedia Event that occurs after the Retroactive Date and before the end of the Period of Insurance,

provided that:

- A) the maximum liability of the Company during the Period of Insurance for this extension shall be the Sub Limit of Indemnity stated in the Schedule and this shall form part of the Cyber Risk Limit of indemnity;
- B) this extension shall not apply to any Claims based upon, arising out of attributable to advertising services performed by the Insured on the Insured's internet or website on behalf of others;
- C) this extension shall exclude Unauthorised Access by Employees; and
- D) the Excess shall apply before the Company shall be liable to make any payment.

2 Payment Card Industry Data Security Standard (PCI DSS)

Payment Card Industry Expenses 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 from a breach of Payment Card Industry Data Security Standards (PCI DSS) and which arises from Unauthorised Access discovered after the Retroactive Date and before the end of the Period of Insurance,

provided that:

- A) the maximum liability of the Company during the Period of Insurance for this extension shall be the Sub Limit stated in the schedule and this shall form part of the Cyber Risk Limit of Indemnity;
- B) this Extension shall not apply if and to the extent such civil fine or penalty is uninsurable under the laws or regulations of the relevant territory; and
- C) the Excess shall apply before the Company shall be liable to make any payment.

3 Compensation for Court Attendance

In the event of any Insured Persons attending court as a witness at the request of the Company in connection with a Claim in respect of which the Policyholder is entitled to indemnity under this Policy the Company will provide compensation to the Policyholder at the following rates per day for each on which attendance is required:

- A) Director £500
- B) Employee £250

provided that:

- A) attendance is at the request of the Company and in connection with a covered Claim under this Policy;
- B) the maximum liability of the Company during the Period of Insurance for this extension shall be the Sub Limit stated in the schedule and this shall form part of the Cyber Risk Limit of Indemnity; and
- C) the Excess shall apply before the Company shall be liable to make any payment.

4 Withdrawal of Content

Expenses 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 the Insured being legally liable to withdraw or alter content by order of a court, as the result of a complaint: to the Advertising Standards Authority (ASA), the Officer of Communications (OFCOM), Trading Standard Officers or any other official regulatory or self-regulatory body, or in mitigation of a Claim covered for a Data Liability Event or a Network Security Event, that occurs after the Retroactive Date and before the end of the Period of Insurance,

provided that:

- A) the maximum liability of the Company during the Period of Insurance for this extension shall be the Sub Limit of Indemnity stated in the Schedule and this shall form part of the Cyber Risk Limit of Indemnity;

- B) this extension shall not apply to any Claims based upon, arising out of attributable to advertising services performed by the Insured on the Insured's internet or website on behalf of others;
- C) the Insured can prove to the satisfaction of the Company that such content would, if not rectified, result in damages equal to or in excess of the indemnified Expenses; and
- D) the Excess shall apply before the Company shall be liable to make any payment.

5 Cyber Extortion

Cyber Extortion Expenses for the sole purpose of providing guidance to the Insured to investigate and determine the cause of such Cyber Extortion Event to minimise or limit adverse publicity, terminate or mitigate any actual or credible threat of a Cyber Extortion Event,

provided that:

- A) any cyber extortion includes a request for ransom, such request is to the detriment of the Insured and will cause financial and reputational harm to the Insured;
- B) the ransom was paid, or the goods or services were surrendered, under duress;
- C) before agreeing to the payment of the ransom or surrender of goods or services, You made all reasonable efforts to determine that the illegal threat was genuine and not a hoax;
- D) an individual in the definition of Director agrees to the payment of the ransom or surrender of the goods or services;
- E) 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);
- F) payment of such costs and Expenses are permitted by law; and
- G) the Excess shall apply before the Company shall be liable to make any payment.

Cyber Risk Limit of Indemnity

The Cyber Risk 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 and 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 Cyber Risk Limit of Indemnity stated in the Schedule.

The Excess or Waiting Period shall apply before the Company shall be liable to make any payment (including in respect of but not limited to Defence Costs, fees, Expenses, Payment Card Industry Expenses and Cyber Extortion Expenses). The Excess is to be borne by the Policyholder and shall remain uninsured.

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

Additional Insureds

In respect of any Additional Insured the Retroactive Date applicable shall be the effective date for that Additional Insured as endorsed on the Schedule.

Assignment and Alteration

This Policy and any rights under it cannot be assigned without the written consent of the Company. No change or modification under this Policy shall be effective without a written endorsement to the Policy agreed and issued by 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; and
- 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 shall be 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 Remediation Costs or 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 or Loss 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.

Cancellation of the Insured's Fixed Sum Loan

Where the Company have agreed to You paying Your premium by monthly instalments, then in the event of a missed payment, Your insurance Policy may be terminated and You will no longer be insured by the Company. The Company may also take further action

to pursue any outstanding debt. If Your monthly premium payment has a Fixed Sum Loan Agreement regulated by The Consumer Credit Act 1974, then this shall be deemed to be a linked loan agreement. In the event that there is a default in the instalments due under the payment schedule, the Company reserve the right to also terminate that linked loan agreement.

Agreement

Where the Company has agreed to the Insured paying their premium by monthly instalments, then in the event that there is a default in the instalments due under the payment schedule, the Company reserves the right to terminate the Policy and the Insured will no longer be insured by the Company.

Disputes under this Policy

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

- A) the Insured and the Company will endeavour to resolve the dispute amicably;
- B) 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; and
- C) in the event that the dispute has not been resolved to the satisfaction of any party within 28 days (with effect from notice being given in writing by either party) 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:

- A) duty of disclosure;
- B) effect of warranties; and
- C) 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.

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 Company 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 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.

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

Effect of Exclusions

The Company shall not be liable to indemnify the Insured in respect of any Claim, Loss, Remediation Costs, Business Interruption Loss, Payment Card Industry Expenses Compensation for Court Costs, Withdrawal of Content Expenses or Cyber Extortion Expenses:

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; or
 - 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 of 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; or
- 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; or
 - 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 or Network Security Event.

3 Bodily Injury

arising directly or indirectly from 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

arising from, attributable to or based upon any warranty, contractual term, guarantee or where liability has been assumed or accepted by an Insured under contract or agreement except to the extent that such liability would have attached in the

absence of such contract or agreement provided that this exclusion shall not apply to such Claims covered under Cyber Extension 2. Payment Card Industry Data Security Standard (PCI DSS).

5 Directors & Officers

made 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; or
- B) any person, whether by an 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 shall provide an indemnity in respect of any Claim against the Insured when alleged in conjunction with a covered Claim 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:

- A) reckless, deliberate, criminal or fraudulent acts by the Insured,

provided that the Company shall provide an indemnity in respect of any Claim against the Insured, or Remediation Costs or Business Interruption Loss when committed by an Employee which gives rise to a covered Claim for a Data Liability Event, a Network Security Event or Cyber Business Interruption Event, Cyber Extortion Event or Multimedia Event;

or

- B) Insured committing, condoning or knowingly participating in any way in any act or omission of a fraudulent or dishonest nature,

provided that, the Company will continue to pay on behalf of any Insured Person, Defence Costs under this Policy until such Insured Person has been found by way of any judgment, binding arbitration decision, final adjudication, conviction or written admission of the Insured establishing such conduct by a court, tribunal, arbitrator or Regulator.

Following such finding the Company shall be entitled to repayment of any amount paid to the Insured under this Policy.

9 Financial or Trade Sanctions

If and to the extent that doing so would breach any Prohibition, provided that:

- A) if any Prohibition takes effect during the Policy Period the Insured or the Company may cancel that part of this Policy which is prohibited or restricted with immediate effect by giving written notice to the other at their last known address;
- B) 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 and provided no Claims have been paid or are outstanding; and
- C) for the purposes of this clause a 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 provided that this exclusion shall not apply to such Claims covered under Cyber Insurance Extension or Loss arising out of a Claim against an Insured for a covered Data Liability Event or Network Security Event.

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 Remediation Costs or Business Interruption Loss;
- 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

if and to the extent that such:

- A) Remediation Costs;
- B) Payment Card Industry Expenses;
- C) Compensation for Court Costs;
- D) Withdrawal of Content Expenses;
- E) Cyber Extortion Expenses; or
- F) Expenses;

have been incurred without the Companies express prior written consent (such consent shall not be unreasonably withheld or delayed).

15 Products supplied, Defects and Recall

- A) 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 shall not apply to Loss, Remediation Costs or Cyber Business Interruption Loss suffered as a result of a Data Liability Event, Network Security Event or Multimedia Event,

- B) in respect of loss of or damage to any:

- i) product sold or supplied; or
- ii) contract work executed,

by the Insured caused by any defect therein or the unsuitability thereof for its intended purpose; or

- C) for the cost of recall, removal, repair, alteration, replacement or reinstatement of any:

- i) product sold or supplied; or
- ii) contract work executed,

necessitated by any defect therein or the unsuitability thereof for its intended purpose.

16 Professional Indemnity

for any error or omission arising out of the provision of negligent professional advice or design.

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.

18 Tangible Property

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

19 Third party advertising services

based upon, arising out of attributable to advertising services performed by the Insured on the Insured's internet website on behalf of others.

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.

21 Sale of Critical Data

arising from the sale of non public data to any third party without the permission of the data subject. A data subject is the person about whom personal data is being collected, processed and stored.

Effect of Acts, Knowledge or Conduct of an Insured

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

Claims Conditions

Making a Claim

In order for Claims to be accepted under this Policy the Insured must comply with the following:

1 Claim Notification

Upon the Discovery of an actual, alleged or suspected Data Liability Event, Network Security Event, Cyber Business Interruption Event, Cyber Extortion Event or Claim the Insured must immediately give notice to the Company by calling or contacting the Incident Manager:

Incident Manager
24 hour Cyber Incident number: 0330 041 6164

Professional & Financial Risks Claims Department
St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL
profin.claims@uk.rsagroup.com

The Insured must give notice to the Incident Manager during the Period of Insurance.

2 Circumstance Notification

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 and no later than 40 calendar days after the expiry of the Period of Insurance.

3 Admission of Liability

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.

4 Information and Documentation

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

Failure to comply with Conditions 1, 2, 3 and 4 will result in a Claim being rejected or settlement reduced unless the Company considers such non-compliance to be immaterial to the loss.

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, Business Interruption Loss or Cyber Extortion Event 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 Cyber Risk 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 for which the Insured is or would but for the existence of this Policy be entitled to an indemnity under any other contract or contracts of insurance the Company shall not be liable except in respect of any excess beyond the amount which would have been payable under such other contract or contracts of insurance 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

Additional Insured means any entity:

- 1 in which You hold directly or indirectly more than fifty per cent (50%) of the voting rights;
- 2 in which You have the right to appoint or remove a majority of the board of Directors;
- 3 in which You hold more than half the issued share capital; or
- 4 declared to and accepted by the Company, and which is endorsed on the schedule.

Business means the activities undertaken by the Insured as stated in the Schedule.

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

1 Gross Profit

(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 Cyber Risk Limit of Indemnity, but not more than £250,000, whichever is the lesser; and
- 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 falls 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 Cyber Risk Limit of Indemnity, but not more than £250,000, whichever is the lesser; and
- ii) Business Interruption Loss shall apply after the Waiting Period,

and

3 Mitigation costs

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 liable 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 likely 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 made against the Insured seeking compensation or other legal remedy or penalty directly arising from a Data Liability Event, a Network Security Event or Cyber Extortion Event.

Company means Royal & Sun Alliance Insurance plc.

Computer System means the following and is limited to computer systems which are either owned, operated or controlled 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 websites and blogs used to promote the Business; 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 first offered following a covered Data Liability Event.

Critical Data shall mean the valuable data that You need in order to maintain your Business functions. Critical Data includes third party non-public data, personally identifiable information and sensitive personal information.

Cyber Business Interruption Event means:

- 1 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 Expenses means:

- 1 any reasonable and necessary fees, costs and expenses incurred to employ the services of an external public relations consultant, crisis management firm, law firm or an independent advisor; and
- 2 the value of costs, goods or services surrendered or paid by the Insured,

following a covered Cyber Extortion Event.

Cyber Extortion Event means any actual or threatened unauthorised access from a third party after inception of the Policy to:

- 1 damage, destroy or corrupt Your Computer System or Critical Data;
- 2 introduce a Malware to your Computer System;
- 3 disseminate, divulge or use any Critical Data; or
- 4 cause Denial-of-service or denial of access.

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;
- 2 the breach of any Privacy Legislation worldwide by the Insured or someone for whom the Insured is legally responsible;
- 3 the deliberate and reckless alteration or addition of data as a result of unauthorised access by someone or something other than an Employee; or
- 4 the loss of Critical Data arising from the physical theft or loss of hardware for which 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 to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused, 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 shall not include the value of the data as at the time of its loss or destruction.

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 principal, interest other money paid or due as the result of a loan, lease or extension of credit;
- 2 taxes, fines or penalties;
- 3 any future cost of doing business, including but not limited to the cost of any future licence or royalty, or costs of improving Your security or performing audits;
- 4 any privacy investigation arising from any routine regulatory supervision enquiry or compliance review, any internal investigation or any investigation into the activities of an industry sector which is not solely related to an actual or alleged breach of Privacy Legislation by You;
- 5 Remediation Costs; or
- 6 Loss.

Denial-of-service means an explicit attempt by attackers to prevent legitimate users of the Computer System from using that Computer System by Unauthorised Access.

Director means any natural person serving in the position of:

- 1 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);
- 2 any person named in any prospectus issued by the Insured as a prospective director;
- 3 any employee of the Insured whilst acting in a managerial or supervisory capacity;
- 4 any Director or employee of the Company who is deemed to be a Senior Manager under the Financial Services (Banking Reform) Act 2013;
- 5 any principal, head teacher or governor;
- 6 a trustee for a charitable or not for profit organisation trustee and any Employee thereof to whom any duty of such trustee is delegated;
- 7 a limited liability partnership member as defined under the Limited Liability Partnership Act 2000; or
- 8 a partner as defined under the Partnership Act 1890.

on behalf of the Insured.

Discovered or Discovery means:

- A) when a Director, officer, company secretary, manager, trustee, equity partner or member of the Insured:
 - 1 first learns of or first suspects a:
 - i) Data Liability Event;
 - ii) Network Security Event; or
 - iii) Cyber Business Interruption Event,
 that might reasonably cause a Loss, Remediation Costs or Business Interruption Loss;

or

- B) 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 an Insured shall be regarded as Discovery by and on the part of all Insureds.

Electronic Data means any data, text, sounds, images or similar content disseminated, including but not limited to the content of the Insured's email, intranet, extranet, website, bulletin board, chat room or other on-line discussion or information forum under the direct operational control of the Insured and in connection with the Business.

Employee means any person acting under a contract of employment for the Insured, or for whom the Insured is legally responsible in respect of the Business,

provided that Employee shall not include any Director, partner or principal of the Insured.

Excess means:

- 1 in respect of
 - a) Data Liability;
 - b) Network Security;

- c) Remediation Costs;
- d) Payment Card Industry Expenses;
- e) Compensation for Court Attendance;
- f) Expenses for Withdrawal of Content; or
- g) Cyber Extortion Expenses.

the amount or amounts specified in the Schedule for that part of each and every Claim or Loss as applicable; and

2 in respect of Cyber Business Interruption the Waiting Period.

Expenses means necessary and reasonable costs, charges and fees incurred by the Insured or by the Company in investigating, defending or settling any Claim,

provided that Expenses shall not include:

- 1 salaries, commissions, emoluments, fees or any other benefits from employment or costs and expenses normally incurred by the Insured in the absence of a claim;
- 2 costs and expenses incurred by a customer to whom the Insured provides goods or services under a written contract unless ordered by a court of other legally authorised tribunal; or
- 3 discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to, or to comply with an agreement to provide such relief to the Insured's Employees, customers or clients.

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:

- 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 with due provision being made for depreciation; and
- 2 the Uninsured Variable Costs shall have the meaning usually attached to them in 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 an approved partner appointed by the Company to manage the cyber incident phone line and provide incident response management services.

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 calendar days.

Insured means:

- A) You, any current, future or former Employee (including Directors, officers, principals or partners); and
- B) any Additional Insured; and
- C) anyone performing employment duties for whom you or any Additional Insured is legally responsible.

Insured Persons means any Director and any Employee.

Loss means any:

- A) judgments, settlements, awards, damages, costs and Expenses (including claimants costs and expenses), incurred by or behalf of the Insured; and
- B) fines and penalties imposed by government or a regulator against the Insured,

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;
- 4 any amounts for which the Insured is not legally liable;
- 5 any charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a direct result of the Insured's failure to comply with PCI DSS due to a breach, including any sums in relation to card reissuance or fraudulent transactions provided that the Company will pay Loss as a result of any covered Claim under Extension 2) Payment Card Industry Data Security Standard (PCI DSS) where shown as 'Insured' in the Policy Schedule;
- 6 fines and penalties unless they are permitted by the relevant law;
- 7 taxes, or loss of tax benefits; or
- 8 Defence Costs.

Malware means any malicious code software or virus designed to:

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

whether involving self-replication or not.

Multimedia Event means:

- A) defamation or other tort related to disparagement of trade reputation, or the character of any person or organisation, including libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct, breach of comparative advertising regulations, failure to attribute authorship or provide credit under any agreement to which the Insured is a party;
- B) infringement of intellectual property rights including but not limited to copyright, registered design, title, slogan, trade secret, trademark, trade name, trade dress, service mark, service name, domain name or metatag, breach of moral rights, passing off, plagiarism, piracy, or misappropriation of non public data; or
- C) alteration or addition of Electronic Data,

directly resulting from Unauthorised Access and arising from the publishing, dissemination, releasing, gathering, transmission, production, webcasting or other distribution of data by the Insured in connection with the Business.

Network Security Event means:

- 1 the negligent or non-deliberate or inadvertent transmission of any Malware to a third party for which the Insured is legally responsible from a Computer System;

- 2 the negligent or non-deliberate failure to secure the Insured's Computer System or network that results in Unauthorised Access; or
- 3 a Denial-of-service attack.

Notification Costs means:

- 1 reasonable fees, costs and Expenses incurred by the Insured in respect of notifying any natural person or legal entity whose data or information has been compromised or may have been lost as a result of a Data Liability Event. Notification Costs shall include all reasonable costs to manage notifications and to respond to enquiries (including but not limited to a call centre & creation of websites); and
- 2 reasonable fees and costs incurred by the Insured to determine notification requirements and notify the relevant legal entity in order to comply with Privacy Legislation.

Outsource Provider means the retention and authorisation by the Insured of a natural person or organisation to perform an internet technology function (including, but not limited to, suppliers, contractors, sub contractors or vendors) on behalf of the Insured, provided that:

- 1 such function is performed under a signed written contract between such third party and the Insured;
- 2 the Insured retains the right to audit the performance of such function;
- 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; and
- 4 such Outsource Provider has been declared to the Company in writing.

Payment Card Industry Expenses means reasonable charges, civil fines, penalties, Payment Card Industry (PCI) forensic investigator assessment costs or contractual damages.

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

Policy means, collectively, the Policy Schedule, Statement of Fact and the Terms and Conditions of this contract of insurance including any endorsements attaching and substitutions thereto.

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, Business Interruption Losses or Cyber Extortion 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 shall be deemed to be a single policy Claim, reported at the date of the first such policy Claim.

Remediation Costs means:

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

Retroactive Date means the date specified in the Schedule.

Schedule means the Cyber Risk Policy Schedule attaching to this Policy.

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.

Sub-Limit means the maximum aggregate amount this Policy will pay. All Sub-Limits form part of the Cyber Risk Limit of Indemnity and shall never exceed the Cyber Risk Limit of Indemnity stated in the Schedule.

Statement of Fact means the document setting out information provided by You or Your representative as being relevant to the cover that has been applied for. It also includes assumptions We have made about factual circumstances relevant to the cover and which are confirmed by You as true and correct.

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. Estimated Gross Profit or Estimated Gross Revenue declared should reflect the financial year most nearly concurrent with the ensuing Period of Insurance.

Unauthorised Access means access to and use of the Insured's Computer System or network infrastructure by:

- 1 any person or persons not authorised to do so including Employees; or
- 2 by something other than a person; or
- 3 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; and
- 2 bad debts,

unless otherwise stated in the Schedule.

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

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

Fair Processing Notice

At Royal & Sun Alliance Insurance plc we provide commercial insurance policies directly or in partnership with other organisations.

Where individuals are covered under the terms of these insurance policies we may need to process their personal information.

Information including the purpose and basis for the processing, how long data will be retained for and about the individual rights under the data protection regulation can be found at:
www.rsagroup.com/support/legal-information/privacy-policy/

If you have any questions or comments about this Privacy Notice please contact:

The Data Protection Officer RSABowling
MillDean Clough Industrial
ParkHalifaxHX3 5WA

You may also email us at crt.halifax@uk.rsagroup.com.

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.