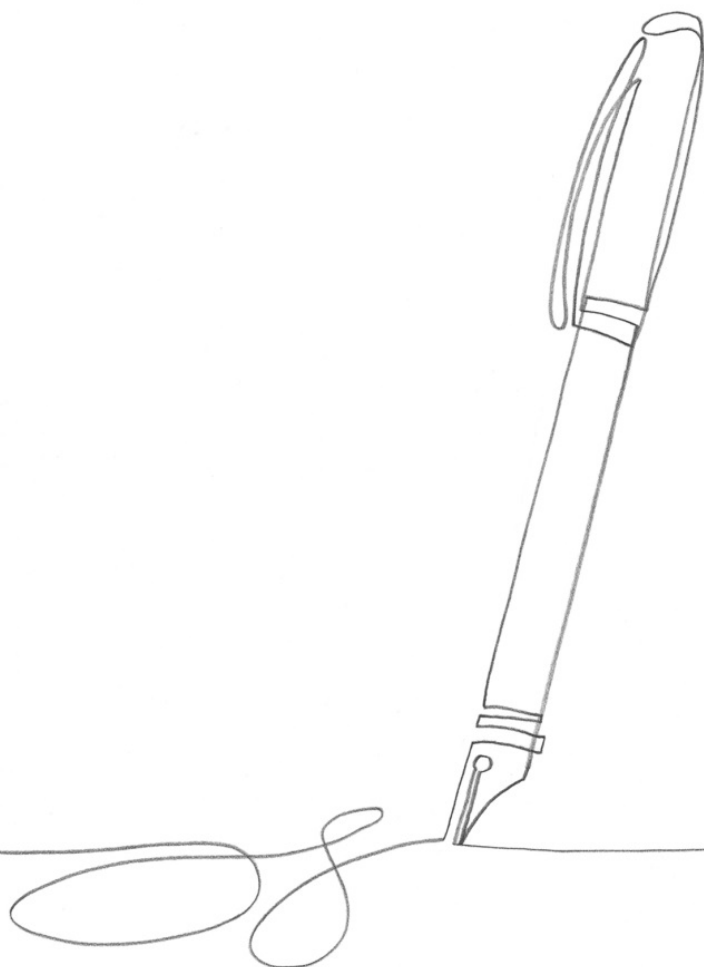


your
policy



THIS POLICY SETS OUT THE TERMS UPON WHICH THE **INSURER** AGREES TO INSURE THE **INSURED** IN CONSIDERATION OF THE PAYMENT OF, OR AGREEMENT TO PAY, THE PREMIUM. THE INSURING CLAUSES AND COVERAGE EXTENSIONS ARE SUBJECT TO ALL TERMS, CONDITIONS, RESTRICTIONS AND LIMITATIONS OF THIS POLICY.

A. **INSURING CLAUSES**

1. Employee crime

The **insurer** will reimburse the **insured** for **loss** which is first **discovered** during the **policy period** and which results directly from the **dishonest act of an employee**.

2. Third party crime

The **insurer** will reimburse the **insured** for **loss** which is first **discovered** during the **policy period** and which results directly from:

- (a) **forgery and counterfeiting;**
- (b) **fund transfer fraud;**
- (c) **social engineering fraud,**
- (d) **physical loss of or damage to property;**
- (e) **extortion;**
- (f) **computer malware,**

by a **third party**.

B. **COVERAGE EXTENSIONS**

The **insurer** will reimburse or pay on behalf of the **insured** for:

1. **data security breach costs, software removal or reconstitution costs, legal costs, audit costs and reputation costs** necessarily incurred by the **insured** with the **insurer's** prior written consent, following and in connection with a direct financial loss sustained by the **insured** and payable by the **insurer** under this policy.
2. **corporate identity fraud costs** necessarily incurred by the **insured** with the **insurer's** prior written consent.
3. **contractual penalties** incurred by the **insured** following and as a result of a direct financial loss sustained by the **insured** and payable by the **insurer** under this policy.
4. interest that would have been receivable by the **insured** but was not received following and as a result of a direct financial loss sustained by the **insured** and payable by the **insurer** under this policy.

C. COVERAGE RESTRICTIONS

The **insurer** will not be liable to make any payment under this policy for that part of any **loss**:

1. Directors and partners dishonesty

arising out of, based upon or attributable to, in whole or in part, any dishonest, fraudulent, malicious or criminal act of any director or partner of the **insured**, except to the extent that such director or partner is deemed to be an **employee**.

2. Dishonest act of an employee

arising out of, based upon or attributable to, directly or indirectly, any dishonest, fraudulent, malicious or criminal act of any **employee**.

This Coverage Restriction will not apply to Insuring Clause A.1 (employee crime) or Coverage Extensions B.1, B.2, B.3 or B.4.

3. Extortion, kidnap and ransom

arising out of, based upon or attributable to extortion or kidnap and ransom.

This Coverage Restriction will not apply to Insuring Clause A.1 (employee crime), A.2(e) (extortion) or **software removal or reconstitution costs** covered under Coverage Extension B.1.

4. Fines, penalties or damages

comprising fines, penalties or damages of any type except direct compensatory damages arising out of a **loss** covered by this policy.

This Coverage Restriction will not apply to Coverage Extensions B.3.

5. Indirect loss

- (a) which is indirect or consequential except where covered under Coverage Extensions B.1, B.2, B.3. or B.4.
- (b) which represents loss or deprivation of income or profits (including interest and dividends), except for interest covered under by Coverage Extension B.4 and
- (c) arising out of, based upon or attributable to:
 - (i) business interruption or loss of computer time or use;
 - (ii) mechanical, electronic or software failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, **electronic media** failure or breakdown or any malfunction or error in programming; or
 - (iii) errors or omissions in processing.

6. Litigation costs and loss establishment fees

which is incurred in establishing the existence or amount of **loss** covered under this policy, or in prosecuting or defending any legal proceeding, or incurred as a party to any legal proceeding.

This Coverage Restriction will not apply to Coverage Extensions B.1 and B.2.

7. Prior discovery

which was **discovered** prior to the inception date of this policy.

8. Profit, loss or inventory computation

where the proof of such **loss** is solely dependent upon:

- (a) a profit and loss calculation or comparison;
- (b) a comparison of inventory records with an actual physical count; or
- (c) bills of lading, warehouse receipts, shipping documents, trust receipts or any other bill document or receipt similar in nature.

9. Property damage

arising out of, based upon or attributable to, directly or indirectly, loss, damage or destruction:

- (a) of or to any premises however caused, except damage to premises caused by the actual or attempted burglary, robbery or theft of tangible **property** from those premises, and the damage is not caused by fire;
- (b) of or to any property whatsoever by reason of wear, tear, gradual deterioration, moth or vermin;
- (c) as a result of looting, or any act of nature; or
- (d) arising out of, based upon or attributable to ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component.

10. War and terrorism

- (a) arising out of, based upon or attributable to, directly or indirectly, war, invasion, act of foreign enemy, hostile operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, riot or civil commotion amounting to a popular uprising, military or takeover of power or martial law.
- (b) arising out of, based upon or attributable to, directly or indirectly, terrorism except where the **loss** results directly from any actual or attempted burglary, robbery, hold-up, theft or larceny.

This Coverage Restriction only applies to Insuring Clause A.2(d) (physical loss of or damage to property); A.2(e) (extortion) or Coverage Extensions B.1 and B.2.

D. CLAIM PROVISIONS

1. Discovery and notification of loss

- (a) Upon **discovery** of a **loss**, the **insured** must:
- (i) give to the **insurer** written notice of that **loss**, as soon as practicable following **discovery**, but in no event later than 60 days after the end of the **policy period**, or within any applicable **discovery period**; and
 - (ii) file a detailed proof of **loss** in a format agreed with the **insurer** within 6 months of such written notice, or within a further period as agreed in writing by the **insurer**.

In the event that the **insured** is prevented from notifying any **loss** to the **insurer** (after the insured has sought consent to do so) due to any legal or regulatory prohibition restricting them from doing so, the **insured** must provide full details of the **loss** to the **insurer** as soon as such restriction is lifted.

If the **insured** does not give notice to the **insurer** in compliance with this provision D.1(a) *Discovery and notification of loss*, the **insurer** will have no liability under this policy in respect of that **loss**.

- (b) A **single event** will be treated by the **insurer** as having been notified when the first of such **losses** was notified to the **insurer**, irrespective of whether or not the **insurer** has formally accepted the notice.
- (c) All notices must be sent either by email to ml-claims@beazley.com or by telephone on 020 7674 8002 or mail to the address below:

Financial Lines Claims
 Beazley Plc
 Plantation Place South,
 60 Great Tower Street,
 London,
 EC3R 5AD

2. Legal defence

The **insurer** will be entitled to participate fully in any legal proceedings and the incurring of **legal costs** where it is reasonably likely to involve the **insurer** making any payment under this policy.

If the **insured** admits liability or compromises or settles any demand, claim, suit or legal proceeding, or incurs any **legal costs**, without the **insurer's** prior written consent, this policy will afford no cover in connection with that admission, demand, claim, suit, legal proceeding or **legal costs**.

3. Allocation

Where a **loss** involves both parties covered and not covered and/or matters covered and not covered by this policy, a fair and proper allocation shall be made between the **insured** and the **insurer**, taking into account the relative legal and financial exposures attributable to the covered matters or persons and the matters or persons not covered by this policy.

4. Cooperation

The **insured** will:

- (a) give all information and assistance to the **insurer** as it may reasonably require to enable it to investigate any matter notified under this policy;
- (b) cooperate with the **insurer** in relation to any **loss** notified under this policy; and
- (c) take all reasonable steps to prevent or minimise any **loss**.

Except where expressly provided for in this policy, these steps will be at the **insured's** own cost.

5. Basis of valuation

- (a) In calculating the amount payable under this policy for any **loss**, deductions will be made in respect of recoveries received from any source. The **retention** will apply to the net figure after making these deductions, but nothing in this clause will be construed to mean that such **loss** is not payable under this policy until the net figure has been ascertained
- (b) In no event shall the **insurer** be liable for more than:
 - (i) the actual market value of **securities**, foreign funds, currencies or precious metals which will be determined by their closing market value on the last business day prior to the **loss** being **discovered** or, if less, the actual cost of replacing the **securities**;
 - (ii) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the **insured** in order to reproduce physical records;
 - (iii) the cost of blank electronic data processing media (such as memory sticks, USB drives or external hard drives) and the cost of labour for the actual transcription or copying of electronic data furnished by the **insured**, in order to reproduce that electronic data, however if that electronic data cannot be reproduced and represents **securities** or other financial instruments of value, then the **loss** will be valued as indicated at sub-paragraphs (i) and (iv) of this clause (b);
 - (iv) the actual cash value of other property at the time the **loss** was **discovered**, or the actual cost of repairing or replacing the property with property or material of like quality or value, whichever is less;
 - (v) the value of subscription, redemption, conversion or deposit privileges immediately prior to their expiry;
 - (vi) any interest receivable which exceeds the average Bank of England base rate between the time of sustaining **loss** and the date of **discovery** of the **loss**.

(c) In the event that a loss of **securities** is covered by this policy, the **insurer** will, at their election, indemnify the **insured** for either:

- (i) any premium required to be paid by the **insured** to purchase lost instrument bonds; or
- (ii) an amount which the **insured** may be required to pay either during the **policy period** or any time after by reason of any indemnity agreement executed by the **insured** in relation to any lost instrument bonds issued or purchased by the **insured**,

for the reissuing of duplicate securities.

(d) In calculating **loss** as a result of the physical loss of or damage to cancelled cheques, cancelled drafts or cancelled credit card receipts, additional reasonable **employee** expenses necessarily incurred by the **insured** in identifying the depositors of those lost or damaged cancelled items, or in assisting depositors in obtaining duplicates, shall be included.

6. Other insurance

This policy will only pay **loss** that is in excess of any amount recoverable from a more specific crime and/or cyber insurance available to the **insured**. As excess insurance this policy will not apply or contribute to the payment of any **loss** until the amounts of that other insurance have been exhausted.

7. Financial interest coverage

The **insurer** will not provide cover for the **loss** of an **uncovered company**. The **insurer** will instead reimburse the **parent company** for its financial interest in such **uncovered company** by way of agreed valuation calculated as the amount of **loss** which would have been payable to the **uncovered company** under this policy had the **uncovered company** been insured under this policy. For the purpose of this provision the **parent company** will be deemed to have suffered loss to its financial interest simultaneously with the **uncovered company** which suffered the **loss** for which it would have been entitled to receive cover under this policy.

8. Subrogation and recoveries

Following a payment under this policy, the **insurer** will be subrogated to all rights and remedies available to the **insured** in connection with that payment therefore the **insurer** has the right to seek recovery of that payment from a third party and will be entitled to bring proceedings in the name of the **insured**.

Whether before or after payment under this policy, the **insured** will take all steps necessary, or required by the **insurer**, to preserve the rights and remedies which the **insured** may have to recover its **loss**.

The **insured** will provide to the **insurer** any assistance the **insurer** may require to secure the rights and remedies set out above. The **insurer** shall be entitled to take control of all steps taken to recover any **loss**.

Any amounts recovered will be applied in the following order:

- (a) to reimburse costs incurred in bringing proceedings against the third party;

- (b) then to the **insured** for the amount of any the **loss** which exceeds the **limit of liability**;
- (c) then to the **insurer** up to the amount of the **loss** paid by the **insurer** and the **limit of liability** will be reinstated for such amounts; and
- (d) then to the **insured** to reimburse the **retention**.

E. GENERAL CONDITIONS

1. Limit of liability

The **limit of liability** is the maximum amount payable by the **insurer** under this policy for a **single event** in respect of all **insureds**, Insuring Clauses and Coverage Extensions.

Any **loss** paid by the **insurer** for a **single event** under this policy will reduce the **limit of liability** for that **single event**.

Where any sub-limit is specified in the policy or schedule, the **insurer** will have no liability in excess of that sub-limit for a **single event**.

Any sub-limit will be part of and not in addition to the **limit of liability**.

In the event that a **loss** is sustained by any **plan** that is covered under this policy, payment will be made by the **insurer** to the trustees of that **plan** for and on behalf of the beneficiaries.

2. Retention

The **insurer** shall be liable only for that part of **loss** which exceeds the **retention**.

Only one **retention**, being the largest, will be applied to the total amount of **loss** arising from a **single event**.

The **retention** will not apply in respect of any **loss** sustained or incurred by a **plan** where that **plan** is required by law to comply with the Employee Retirement Income Security Act 1974 (ERISA) (U.S.A.).

3. Change of control / acquisitions / employee dishonesty post discovery

In the event of a **change of control** of an **insured** no cover under this policy will apply for any **loss** of that **insured**, **subsidiary** or their **plans**, sustained after such **change of control**.

The **parent company** will, as soon as practicable, give the **insurer** written notice of any **change of control** which takes place in respect of the **parent company**.

In the event of an acquisition of a **subsidiary**, no cover under this policy will apply for any **loss** of that **subsidiary** or their **plans**, first sustained before such acquisition.

Cover under this policy shall cease in respect of any subsequent acts of any **employee**, as soon as any **responsible person**, not in collusion with that **employee**, **discovers** the commission of a dishonest, fraudulent, malicious or

criminal act by such **employee** which could reasonably be foreseen to give rise to a **loss**, but without prejudice to the loss of **property** in transit in the custody of the **employee** at the time of **discovery**.

4. Discovery period

If this policy is not renewed or replaced the **insured** will be entitled:

- (a) to an automatic **discovery period** of 60 days; and
- (b) to purchase an optional **discovery period** for a longer period as specified in the Schedule, provided that written notice is given to the **insurer** by the **parent company** within 30 days after the end of the **policy period** and any additional premium specified by the **insurer** is paid within 45 days of the end of the **policy period**.

The automatic **discovery period** is part of and not in addition to any optional **discovery period** purchased by the **insured**.

The **discovery period** is non-cancellable and the premium for the optional **discovery period** is deemed fully earned at the inception date of the optional **discovery period**.

In the event of a **change of control** of the **parent company**, the **parent company** is entitled to purchase a 72 month **discovery period** on such terms and conditions and for such additional premium as the **insurer** requires.

5. Cancellation

If the premium due under this policy has not been paid to the **insurer** within 60 days of the inception of the **policy period** or, where premium is due to be paid by instalments, by the date on which an instalment is due, the **insurer** will have the right to cancel this policy with effect from inception by notifying the **parent company** in writing direct or via the insurance broker.

The **insurer** will give not less than 30 days prior notice of such cancellation. If the premium due is paid in full to the **insurer** before the notice period expires, notice of cancellation will automatically be revoked.

If any additional premium due under the terms of this policy or in respect of any amendment to the terms of this policy is not paid within 30 days of the date on which it is due to be paid, the **insurer** will not have any liability in respect of the additional rights which were to have been purchased by the **insured** by payment of the additional premium.

6. Authorisation

The **parent company** will act on behalf of all **insureds** in connection with all matters relevant to this policy unless the **parent company** is insolvent in which event the remaining entities will agree with the **insurer** as to which one of them will act on behalf of all **insureds**.

Loss sustained by any nominee company where the board of directors is composed exclusively of directors, officers or **employees** of the **parent company** established to handle specific business transactions shall be deemed to be **loss** sustained by the

insured.

7. Third parties

Nothing in this policy is intended to confer a directly enforceable benefit on any third party other than an **insured**.

8. Assignment

Neither this policy nor any right under it may be assigned without the prior written consent of the **insurer**.

9. Policy interpretation

This policy, its schedule and any endorsements are one contract in which, unless the context otherwise requires:

- (a) headings and subheadings are descriptive only, solely for convenience, not an aid to interpretation and form no part of the terms and conditions of coverage;
- (b) the singular includes the plural, and the masculine includes the feminine, and vice versa;
- (c) "Including" and "include(s)" means without limitation;
- (d) references to specific legislation include amendments to and re-enactments of that legislation and any similar or equivalent legislation in the relevant jurisdiction;
- (e) references to positions, offices or titles will include their equivalents in any jurisdiction;
- (f) if any provision of this policy is or becomes void or illegal, is invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction, such provision will be deleted. The **insurer** and the **insured** will use their best efforts to agree a replacement for the provision which achieves as far as possible the same effect as would have been achieved by the deleted provision.

10. Governing law

This policy shall be governed by and construed in accordance with the laws of England and Wales.

11. Arbitration clause

All disputes and differences between the **insured** and the **insurer** which arise under or in connection with this policy will be referred to arbitration under ARIAS Arbitration Rules (U.K.).

The arbitration tribunal will consist of three arbitrators, one to be appointed by the **insured**, one to be appointed by the **insurer** and the third to be appointed by the two appointed arbitrators.

The third member of the tribunal will be appointed as soon as practicable (and no

later than 28 days) after the appointment of the two party-appointed arbitrators. The tribunal will be constituted upon the appointment of the third arbitrator. The arbitrators will be persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.

Where the **insured** or the **insurer** fail to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then ARIAS will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by ARIAS the party or arbitrators in default may make such appointment.

The tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The tribunal will have the widest discretion permitted under the laws of England and Wales when making such orders or directions and the decision of the tribunal will be final. The arbitration will be held in London.

12. Duty of fair presentation

The **insurer** expects the **insured** to comply with their duty to make a fair presentation of the risk in accordance with the Insurance Act 2015 (U.K.). In the event that there has been a breach of the duty of fair presentation, the **insurer** will not exercise any available remedies under the Insurance Act 2015 (U.K.) for any breach that was free of any fraudulent conduct or intent to deceive.

13. Insurer's consent

Where the **insured** is required under this policy to seek the consent of the **insurer**, the **insurer** will not unreasonably withhold, delay or deny such consent.

14. Sanction limitation

The **insurer** will not be liable to provide any cover, benefit or pay any claim under this policy to the extent that the provision of such cover, benefit or payment of such claim would expose the **insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15. Complaints

Every effort is made to ensure that a high standard of service is provided. However, if the **insured** is not satisfied with the service it has received or it has any questions or concerns about this policy the **insured** should, in the first instance, contact:

Beazley Complaints
Beazley Group
Plantation Place South
60 Great Tower Street
London EC3R 5AD
All correspondence should be addressed to Beazley Complaints

Or by telephone: 020 7667 0623

Or by email: beazley.complaints@beazley.com

In the event that the **insured** remains dissatisfied the complaint can be escalated to:

Complaints

Lloyd's
One Lime Street
London EC3M 7HA

Email: complaints@lloyds.com
Telephone: 020 7327 5693
Fax: 020 7327 5225
Website: www.lloyds.com/complaints

Ultimately, if the **insured** is dissatisfied with Lloyd's final response, the **insured** may, if eligible, refer the complaint to the Financial Ombudsman Service (FOS). The Financial Ombudsman Service is an independent service in the U.K. for settling disputes between consumers and businesses providing financial services.

The FOS's contact details are as follows:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Email: complaint.info@financial-ombudsman.org.uk
Telephone: 0300 123 9 123
Website: www.financial-ombudsman.org.uk

16. Compensation

The **insurer** is covered by the Financial Services Compensation Scheme.

The **insured** may be entitled to compensation from the Scheme if the **insurer** is unable to meet its obligations to the **insured** under this contract. If the **insured** is entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract.

Further information about the Scheme is available from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, Telephone: 0800 678 1100 or 020 7741 4100 or on their website: www.fscs.org.uk

F. DEFINITIONS

The following definitions are applicable to all sections of this policy:

audit costs means reasonable fees and expenses necessarily incurred for independent outside accountants or similar specialists to determine the amount and extent of the **loss** payable by the **insurer** under this policy.

authenticated means the verification of the identity of a person and validation of the contents of a **written or printed payment instruction** or **electronic or telephonic transfer communication**.

change of control means any one of the following events:

- (a) the **parent company** consolidates with or merges into or sells all or a majority of its assets to any other person or entity or group of persons and/or entities acting in concert;
- (b) any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote at general meetings of the **parent company** or control the appointment of directors who are able to exercise a majority of votes at meetings of the board of directors of the **parent company**;
- (c) the appointment of a receiver, liquidator, administrator or other insolvency practitioner in respect of an **insured**, but only in relation to that **insured**; or
- (d) an entity ceases to be a **subsidiary** or **plan**, or becomes controlled by another entity by virtue of any law.

computer malware means the dishonest, fraudulent, malicious or criminal introduction or activation of any computer virus, software or computer code which causes:

- (a) the damage, destruction, loss or modification of electronic data contained on any **electronic media** or within any computer system operated by the **insured**.
- (b) damage to or destruction of **electronic media** or any computer system operated by the **insured**.

computer malware does not include **loss** due to **social engineering fraud**.

contractual penalties means the amount of any penalty assumed by and enforced against the **insured** under a written or electronic contract and payable to the contracting party.

corporate identity fraud means the fraudulent modification, corruption, or theft of publicly-available data relating to the **insured's** formation and genuine identity.

corporate identity fraud costs means reasonable fees, costs and expenses necessarily incurred in connection with **corporate identity fraud** first **discovered** during the **policy period**:

- (a) to investigate that **corporate identity fraud**;
- (b) to correct or reinstate public records;
- (c) when applying for civil proceedings to be dismissed or withdrawn because the alleged liability resides with someone other than the **insured**;

(d) to procure public relations services to redress adverse publicity or reputational injury.

counterfeit means the imitation of any instrument which, because of the quality of the imitation, the **insured** believes is the authentic original instrument.

data security breach costs means the reasonable costs of:

- (a) hiring security experts, forensic investigators or similar experts to determine the existence and cause of an unauthorised appropriation and/or disclosure of personal or confidential information;
- (b) notifying natural person customers of the **insured** who have been affected by an unauthorised appropriation and/or disclosure of personal or confidential information;
- (c) hiring external lawyers to determine the mandatory actions required by any regulator;
- (d) credit monitoring services (to the extent required by applicable data protection laws) in respect of natural persons affected by an unauthorised appropriation and/or disclosure of personal or confidential information; and
- (e) establishing, publicising and running call centre services,

which directly arises out of a legal obligation on the **insured** to comply with applicable data protection laws to notify natural persons of an unauthorised appropriation and/or disclosure of their personal or confidential information, held on file by the **insured** in either physical or electronic form, provided that it was the practice and procedure of the **insured** to install available software updates and releases and apply security-related software patches.

data security breach costs does not mean costs that are incurred more than 90 days after discovery of the unauthorised appropriation and/or disclosure of personal or confidential information or any **employee benefits**.

discovered, discovers or discovery means the time at which a **responsible person** becomes aware of facts which would cause a reasonable person to believe that a **loss** of the kind covered by this policy has been or will be incurred, even though the exact amount or details of that **loss** may not be known at that time. **Discovery** shall constitute discovery by every **insured**.

discovery period means the period of time following the end of the **policy period** during which notice may be given to the **insurer** of any **loss** sustained prior the end of the **policy period**.

dishonest act of an employee means a dishonest, fraudulent, malicious or criminal act of any **employee**, committed alone or in collusion with others. However, in respect of **loss** resulting from **loans or trading, dishonest act of an employee** only means dishonest, fraudulent, malicious or criminal acts of any **employee** committed with the intent to obtain an improper financial gain for themselves or for any other person or organisation in dishonest, fraudulent, malicious or criminal collusion with the **employee**. The term 'improper financial gain' does not include **employee benefits**.

electronic media means the media on which electronic data is stored in a form readily usable in a computer system.

electronic or telephonic transfer communication means an electronic or telephonic communication authorising, directing, requiring or acknowledging the transfer, payment, delivery or receipt of funds or **property**.

employee means any:

- (a) natural person:
 - (i) under a contract of employment with;
 - (ii) working under the control and supervision of, the **insured**;
- (b) director or officer of the **insured** when performing acts coming within the scope of the usual duties of an employee of the **insured** or while acting as a member of a committee duly elected or appointed by resolution of the board of directors of the **insured** to perform specific acts, as distinguished from general directorial acts, on behalf of the **insured**;
- (c) trustee, fiduciary, administrator, or officer of any **plan**;
- (d) ex-employee, for a period not exceeding 60 days following the termination of their employment with the **insured**, other than when that termination is a result of a dishonest, fraudulent, malicious or criminal act;
- (e) solicitor, other than a sole practitioner, retained by the **insured** whilst providing legal services exclusively for the **insured**; or
- (f) company or person authorised by a written contract with the **insured** to perform accounting, data processing of the cheques, payroll or computing services outsourced by the **insured**,

whether or not the **insured** is able to identify that person by name, provided that the **insured** proves beyond reasonable doubt that the **loss** was due to the act of that person.

The term **employee** does not mean any independent broker, independent financial advisor, or any similar agent or independent representative remunerated on a sales or commission basis.

employee benefits means salaries, fees, commissions, bonuses and similar employee benefits (including business entertainment whether or not constituting bribery under the Bribery Act 2010 (U.K.)) earned in the normal course of employment.

extortion means the **insured** having delivered, transferred or caused to have transferred funds or **property** as a result of a threat:

- (a) to do bodily harm to:
 - (i) a director, officer or **employee** of the **insured**; or
 - (ii) any lawful spouse, civil or domestic partner or family member of a person in (i) above.
- (b) to do damage to the premises or **property** of the **insured**;
- (c) to sell or disclose confidential security codes, computer programs or electronic data to another person or party;
- (d) to destroy, corrupt, alter or divulge computer programs or electronic data which are stored within a computer system operated by the **insured**;
- (e) to deny access to a computer system operated by the **insured**,

provided that, prior to or immediately after the delivery or transfer of funds or **property**, the person receiving the threat has made a reasonable effort to report the extortionist's demand to a director or officer of the **insured** and to the police or local law enforcement authorities and, in respect of (d) and (e) only, believed that the threat was credible and technologically feasible at the time made.

forged means bearing a forged signature of a genuine person without the authority of that person and with the intent to deceive. A mechanically or electronically reproduced signature shall be treated the same as a handwritten signature. **Forged** does not include the signing of one's own name, in whole or in part, in any capacity.

forgery and counterfeiting means the **insured** having acted or relied upon any **security, written or printed payment instruction or money** which has been **forged, fraudulently altered or counterfeited** and which is, at the time of the act or reliance, in the physical possession of the **insured**.

fraudulently altered means materially altered for a fraudulent purpose by any person other than the person who was authorised to prepare or sign the document.

fraudulent impersonation means the intentional and fraudulent deceiving of an **employee** by any natural person purporting to be another natural person.

fund transfer fraud means the transfer of **money, securities** or other property due to electronic data, computer programs or **electronic or telephonic transfer communications** within a computer system operated by the **insured** having been dishonestly, fraudulently, maliciously or criminally modified, replicated, corrupted, altered, deleted, input, created, or prepared.

Fund transfer fraud does not include **loss** due to **social engineering fraud**.

insured means the **parent company, any subsidiary and plan**.

insurer means Beazley Syndicates 2623/623 at Lloyd's.

legal costs means reasonable fees, costs and expenses necessarily incurred in the defence, settlement or appeal of any demand, claim, suit or legal proceeding which the **insured** establishes results directly from the **loss** payable by the **insurer** under this policy.

limit of liability means the amount specified in the Schedule applicable to the Commercial Crime Module.

loan means:

- (a) all extensions of credit by the **insured** and/or all transactions creating a creditor or lessor relationship in favour of the **insured**; or
- (b) any note, account, agreement or other evidence of debt assigned to, or discounted or acquired by, the **insured** including the purchase, discounting or acquisition of false or genuine accounts or invoices.

loss means:

- (a) direct financial loss sustained by the **insured**;
- (b) **data security breach costs, software removal or reconstitution costs, legal costs, audit costs, reputation costs** and **contractual penalties** to the extent afforded by Coverage Extensions B.1 and B.3;

- (c) **corporate identity fraud costs** to the extent afforded by Coverage Extension B.2; and
- (d) in respect of Coverage Extension B.4, its legal liability for interest to customers.

loss does not include **employee benefits** except those paid to an **employee** for a specific transaction in respect of which that **employee** committed a dishonest, fraudulent, malicious or criminal act.

management control means:

- (a) controls the composition of the board of directors;
- (b) controls more than half of the shareholder voting power; or
- (c) holds more than half of the issued share capital.

money means cash, bullion, precious metals, stamps and postal orders.

parent company means the entity named in the Schedule.

physical loss of or damage to property means:

- (a) the theft of tangible **property** from the **insured's** premises;
- (b) the criminal damage or destruction of tangible **property** at the **insured's** premises;
- (c) the actual or attempted theft, criminal damage or destruction, of tangible **property** in the custody of the **insured** or an **employee**, or any other person or company authorised by the **insured** and for whom the **insured** is legally liable.

plan means:

- (a) any pension, welfare benefit, share saver or share option or other plan maintained by the **insured** for the benefit of the past, present and/or future **employees** or their respective beneficiaries; or
- (b) any charitable trust, fund or foundation with a social or cultural objective which was founded and is currently supported directly by the **parent company** or indirectly through a **subsidiary**.

policy period means the period specified in the Schedule.

property means **money**, **securities**, **electronic media** or other property.

reputation costs means the reasonable fees, costs and expenses necessarily incurred by the **insured** with the prior written consent of the **insurer** in appointing public relations consultants to mitigate the adverse or potential adverse effect on the **insured's** reputation following the **discovery** of a **loss** covered under this policy. **Insurer's** liability for **reputation costs** shall be sub-limited to the amount specified in the Schedule.

responsible person means any member of the Board of Directors, the Risk Manager, Insurance Manager, Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Compliance Officer, Head of Audit or General Counsel including any individual in a substantially similar position or with substantially similar responsibilities as those referenced, irrespective of the

exact title of such individual, of the **parent company**.

retention means the amount specified in the Schedule.

security means negotiable and non-negotiable instruments, cheques, or contracts representing **money** or tangible property.

single event means all **loss** arising out of, based upon or attributable to the same originating cause, source or event.

social engineering fraud means the **insured** having authorised, directed or acknowledged the transfer, payment, delivery or receipt of funds or **property** based on:

- (a) an **electronic or telephonic transfer communication** which dishonestly, fraudulently, maliciously or criminally purports to be, but is not, from a customer of the **insured**, another office or department of the **insured**, a financial organisation or **vendor**; or
- (b) a **written or printed payment instruction** obtained by **fraudulent impersonation**.

If such **electronic or telephonic transfer communication** or **written or printed payment instruction** was not **authenticated** by the **insured**, **insurer's** liability in connection with any **loss** shall be sub-limited to the amount specified in the Schedule.

software removal or reconstitution costs means reasonable fees and expenses necessarily incurred for the verification, reconstitution or removal of electronic data or computer programs, or removal of computer or software codes.

subsidiary means any entity in which the **parent company** either directly or indirectly through one or more entities obtains **management control** on or before the inception date of this policy.

subsidiary will include:

- (a) any new entity which the **insured** incorporates during the **policy period** and which, at the time of incorporation, the **insured** has **management control**;
- (b) any entity that the **insured** acquires **management control** of during the **policy period**.

subsidiary does not include any fund, investment vehicle, managed investment scheme or trust.

third party means any natural person other than an **employee**.

trading means the purchase, sale or other dealings in:

- (a) **securities**, commodities, futures, options, derivatives, funds, currencies, foreign exchange and similar instruments; or
- (b) any other instruments traded through any regulated stock exchange, commodities or mercantile exchange, futures or derivatives exchange, or clearing house, or any other regulated trading facility, trading system or network providing services or functionality of a similar nature.

uncovered company means any **insured**:

- (a) which is located in a jurisdiction where the applicable law or regulation does not allow the **insurer** to provide cover to that **insured**; or

- (b) which the **parent company** has elected that the policy will not cover directly but, instead, the policy will cover the **parent company's** own financial interest in such **insured**.

vendor means any entity or individual which has a written or electronic agreement with the **insured** for the provision of products or services by such entity or individual to the **insured**.

written or printed payment instruction means a written or printed instruction or advice directed to the **insured** authorising, directing, requiring or acknowledging the transfer, payment, delivery or receipt of funds, **money** or **securities**.