Cyber Enterprise Risk Management Insurance

Relationship of the Insurer, the Policyholder and the Insured in connection with Cyber Enterprise Risk Management insurance is governed by the Insurance Contract and by this policy that represents its integral part.

Please, read this insurance policy carefully, above all the provisions that may restrict the insurance coverage.

Words and phrases that appear in bold print in this policy have special meanings defined in Article 2. Definitions or are defined in the relevant Insuring Agreement.

1. Insuring agreements

1.1 Privacy liability

We will pay Damages and Privacy Claims Expenses by reason of a Privacy Claim first made during the Policy Period and reported to us pursuant to Section 4.8 Notification, for any Privacy Wrongful Act taking place after the Retroactive Date and prior to the end of the Policy Period.

For the purposes of coverage under this Insuring Agreement, the following definitions apply:

A. Privacy Claim means:
   i) a written demand against you for monetary or non-monetary damages;
   ii) a civil proceeding against you seeking monetary damages or non-monetary including an injunctive relief;
   iii) an arbitration proceeding against you seeking monetary damages or non-monetary including injunctive relief;
   iv) a Regulatory Proceeding; or
   v) written notice by you to us of a Privacy Wrongful Act actually or allegedly committed by you which could give rise to a Privacy Claim under sections i-iv., above.

B. Privacy Claims Expenses means the below costs and expenses incurred in relation to the investigation and defense of a covered Privacy Claim:
   i) reasonable and necessary attorneys’ fees, expert witness fees and other fees and costs incurred by you with our prior written consent;
   ii) reasonable and necessary premiums for any appeal bond or similar bond, provided we shall have no obligation to apply for or furnish such bond; and
   iii) Incident Response Expenses.

C. Privacy Wrongful Act means any act or omission, error, misstatement, misleading statement, or other breach of obligation actually or allegedly committed or attempted by you in relation to handling, managing, storing, destroying or otherwise controlling:
   i) Personal Data; or
   ii) third party corporate information in any format provided to you and specifically identified as confidential and protected under a nondisclosure agreement or similar contract with you (with the exception of information regarding patents and Trade Secrets covered by exclusion 3.12 as well as other excluded information); or
   iii) any information or data in relation to an unintentional violation of your privacy policy that results in the violation of any Privacy Regulation, including but not limited to the unintentional wrongful collection of Personal Data by you.

1.2 Network Security Liability

We will pay Damages and Network Security Claims Expenses, by reason of a Network Security Claim first made during the Policy Period and reported to us pursuant to Section 4.8 Notification, for any Network Security Wrongful Act taking place after the Retroactive Date and prior to the end of the Policy Period.

The purposes of coverage under this Insuring Agreement, the following definitions apply:

A. Network Security Claim means:
   i) a written demand against you for monetary or non-monetary damages;
   ii) a civil proceeding against you seeking monetary damages or non-monetary including injunctive relief;
   iii) an arbitration proceeding against you seeking monetary damages or non-monetary including injunctive relief;
   iv) a Regulatory Proceeding; or
   v) written notice by you to us of a Network Security Wrongful Act actually or allegedly committed by you which could give rise to a Network Security Claim under sections i-iv., above.
B. **Network Security Claims Expenses** means the below costs and expenses incurred in relation to the investigation and defense of a covered **Network Security Claim**:
   i) reasonable and necessary attorneys’ fees, expert witness fees and other fees and costs incurred by you with our prior written consent;
   ii) reasonable and necessary premiums for any appeal bond or similar bond, provided we shall have no obligation to apply for or furnish such bond; and
   iii) **Incident Response Expenses.**

C. **Network Security Wrongful Act** means any act or omission, error, misstatement, misleading statement or other breach of obligation actually or allegedly committed or attempted by you resulting in a failure of **Network Security**, including the failure to deter, inhibit, defend against or detect any **Computer Malicious Act**, including:
   i) Malware;
   ii) Hacking;
   iii) Denial of Service Attacks; or
   iv) Unauthorised Use or Access.

1.3 **Media Liability**
   We will pay **Media Claims Expenses** and **Damages** by reason of a Media Claim first made during the **Policy Period** and reported us pursuant to Section IV, H. Notification, for any Media Wrongful Act taking place after the **Retroactive Date** and prior to the end of the **Policy Period**.

For the purposes of coverage under this Insuring Agreement, the following definitions apply:

A. **Media Claim** means:
   i) a written demand against you for monetary or non-monetary damages;
   ii) a civil proceeding against you seeking monetary damages or non-monetary including injunctive relief;
   iii) an arbitration proceeding against you seeking monetary damages or non-monetary including injunctive relief; or
   iv) written notice by you to us of a Media Wrongful Act actually or allegedly committed by you which could give rise to a Media Claim under sections i-iii. above.

B. **Media Claims Expenses** means:
   i) reasonable and necessary attorneys’ fees, expert witness fees and other fees and costs incurred by you with our prior written consent, in the investigation and defense of a covered Media Claim;
   ii) reasonable and necessary premiums for any appeal bond or similar bond, provided we shall have no obligation to apply for or furnish such bond; and
   iii) subject to our prior written approval, Incident Response Expenses incurred for public relations and crisis communications services provided under 2.16(E)(6).

C. **Media Content** means electronic media distributed by or on behalf of you on the Internet, including on Social Media Websites.

D. **Media Services** means the publication, distribution, or broadcast of Media Content.

E. **Media Wrongful Act** means any actual or alleged:
   i) disparagement or harm to the reputation or character of any person or organisation, defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, mental anguish and injurious falsehood;
   ii) eavesdropping, false arrest or malicious prosecution;
   iii) plagiarism, piracy or misappropriation of ideas in connection with any Media Content;
   iv) infringement of copyright, domain name, trade dress, title or slogan, or the dilution or infringement of trademark, service mark, service name or trade name; but not actual or alleged infringement of any patent or Trade Secret;
   v) any other negligence with respect to the Insured’s creation or dissemination of Media Content;
   committed by the Insured solely in the performance of providing Media Services.

F. **Social Media Website** means a third party website for the purpose of allowing the creation and exchange of user-generated content through blogs, microblogs, social networking, and wiki’s.

1.4 **Cyber Extortion**
   We will pay Cyber Extortion Damages and Cyber Extortion Expenses, by reason of a Cyber Extortion Event taking place after the Retroactive Date and prior to the end of the Policy Period and reported to us pursuant to Section 4.8 Notification.
For the purposes of coverage under this Insuring Agreement, the following definitions apply:

A. **Cyber Extortion Expenses** means such reasonable and necessary expenses which directly result from a **Cyber Extortion Event**, including sums incurred to hire information technology consultants, public relations consultants, legal and regulatory consultants and crisis negotiators.

B. **Cyber Extortion Damages** means monies paid by you with our prior written consent to terminate or end a **Cyber Extortion Event**; our written consent will not be unreasonably withheld. Such monies will not exceed the amount we reasonably believe the loss would have been in the absence of these terms of coverage.

C. **Cyber Extortion Event** means any credible threat or connected series of threats made by a third party against you expressing intent to:
   i) release, divulge, disseminate, destroy or use confidential or proprietary information, or personally identifiable information, stored on your **Computer System**;
   ii) alter, corrupt, damage, manipulate, misappropriate, delete or destroy **Data**, instructions or any electronic information transmitted or stored on your **Computer System**;
   iii) introduce any **Malware** which is designed to modify, alter, damage, destroy, delete, contaminate or degrade the integrity, quality or performance of **Data**, applications, network or operating system and related software;
   iv) initiate an attack on your **Computer System** that depletes the system’s resources or impedes system access available through the Internet to authorised users of the system;
   v) introduce a **Malware** for the purpose of denying authorised users access to your **Computer System**; or
   vi) otherwise restrict or inhibit access to your **Computer System**;
   for the purpose of demanding monies from you.

1.5 **Data Asset Loss**
We will pay for **Recovery Costs** by reason of a **Data Asset Incident** taking place after the **Retroactive Date** and prior to the end of the **Policy Period** and reported to us pursuant to Section 4.8 Notification.

For the purposes of coverage under this Insuring Agreement, the following definitions apply:

A. **Data Asset Incident** means entry to, corruption of or destruction or loss of your **Data** caused by:
   i) **Computer Malicious Acts**;
   ii) **Malware**;
   iii) **Hacking**;
   iv) **Unauthorised Use or Access**;
   v) **Denial of Service Attack**;
   vi) **Human Error**;
   vii) **Programming Error**; or
   viii) power failure, surge or diminution affecting your **Computer System**.

1.6 **Business Interruption**
We will pay for **Business Interruption Loss** during the **Period of Indemnity** and **Recovery Costs** arising from a **Business Interruption Incident** occurring during the **Policy Period** and reported to us pursuant to Section 4.8 Notification.

**Recovery Costs** will in no case exceed **Business Interruption Loss** that you can based on commonly accepted accounting principles clearly demonstrate has been avoided or prevented due to incurring of the **Recovery Costs**.

For the purposes of coverage under this Insuring Agreement, the following definitions apply:

A. **Business Interruption Incident** means inability to access, disruption of, or disturbance to your **Computer System** or **Data** caused solely and directly by:
   i) **Computer Malicious Acts**;
   ii) **Malware**;
   iii) **Hacking**;
   iv) **Unauthorised Use or Access**;
   v) **Denial of Service Attack**;
   vi) **Human Error**;
   vii) **Programming Error**; or
   viii) power failure, surge or diminution affecting your **Computer System**.
and not arising from Property Damage.

B. Business Interruption Loss means the Reduction in Net Profit which occurs during the Period of Indemnity solely and directly as a result of a Business Interruption Incident, less any savings realized by the use of damaged or undamaged Data, available stock, merchandise, substitute facilities, equipment or personnel. Business Interruption Loss shall not include;
   i) financial loss due to the inability to trade, invest, divest, buy or sell any financial security or financial asset of any kind;
   ii) fluctuations in any value of assets;
   iii) the financial value in any account held at a financial institution; or
   iv) the inability to earn interest or appreciation on any asset.

C. Reduction in Net Profit means the amount by which the Net Profit produced by you during the Period of Indemnity falls short of the Net Profit produced by you during that period in the 12 months immediately before the Business Interruption Incident which corresponds with the Period of Indemnity. Requests made by you for indemnity by us shall be accompanied by a computation of the loss. This shall set out in detail how the loss has been calculated and what assumptions have been made. You shall produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices, and other vouchers and copies of such which we may require.

Our adjustment of the loss shall take full account of trends or circumstances which affect the profitability of the business and would have affected the profitability of the business had the Business Interruption Incident not occurred, including all material changes in market conditions which would affect the Net Profit generated.

D. Net Profit means the operating profit resulting from your business after due provision has been made for all fixed charges.

E. Period of Indemnity means the period during which you incur Business Interruption Loss, beginning with the expiry and satisfaction of the Waiting Period; the Period of Indemnity shall not exceed three months unless we at our sole discretion agree in writing a longer Period of Indemnity in the event that you are still incurring Business Income Loss or Recovery Costs as a result of a Business Interruption Incident.

2. General definitions

When used in this Policy:

2.1 Accepted program means a program that has been fully developed, successfully tested and proved successful in its operational environment for 30 days.

2.2 Act of Cyber-Terrorism means any act, including force or violence, or the threat thereof expressly directed against the Your Computer System by an individual or group(s) of individuals, whether acting alone, on behalf of or in connection with any organization(s) or government(s), to cause unauthorized access to, unauthorized use of, or a targeted Denial of Service Attack or transmission of unauthorized, corrupting or harmful software code to the Your Computer System for the purpose of furthering social, ideological, religious, economic or political objectives, intimidating or coercing a government or the civilian population thereof, or disrupting any segment of the economy.

2.3 Bodily Injury means injury to the body, sickness, or disease, and death. Bodily Injury also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease or death of any person; unless arising from a Privacy Wrongful Act or Media Wrongful Act expressly covered under Insuring Agreements 1.1 or 1.3.

2.4 Civil Code means Act No. 89/2012 Coll., the Civil Code.

2.5 Claim means Privacy Claim, Network Security Claim, Media Claim, Cyber Extortion Event, Data Asset Incident, and Business Interruption Incident.

2.6 Computer Malicious Act means any dishonest act committed against your Computer System, consisting in introducing, altering or destroying your Data, without involving any physical damage to your Computer System, telecommunications equipment or infrastructure.

2.7 Computer System means computer hardware, software, firmware, and the data stored thereon, as well as associated input and output devices, data storage devices, networking equipment and storage area network or other electronic data backup facilities.
2.8 **Damages** means any damage (including any interest) which **you** become legally obligated to pay on account of any **Privacy Claim**, **Network Security Claim**, or **Media Claim**, first made against you during the **Policy Period** or, if elected, the **Extended Reporting Period**, for a **Wrongful Act** to which this **Policy** applies. **Damages** shall not include:

A. matters uninsurable under Czech law;
B. the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;
C. **your** loss of fees or profits, return of fees, commissions or royalties, or re-performance of services by **you** or under **your** supervision;
D. disgorgement of any profit, remuneration or financial advantage to which **you** are not legally entitled; and
E. any amounts other than those which compensate solely for a loss caused by a **Wrongful Act**, unless specifically provided for in this **Policy**

**Damages** includes punitive damages, exemplary damages, fines and penalties, to the extent such damages are insurable under the laws of the applicable jurisdiction that most favours coverage for such damages.

With respect to Insuring Agreements 1.1 and 1.2, **Damages** shall also include a **Payment Card Loss**, and **Regulatory Fines**, subject to limit listed on the **Schedule**.

2.9 **Data** means any information, facts or programs stored, created, used, or transmitted on any hardware or software that allows a computer and any of its accessories to function, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media that are used with electronically controlled equipment or other electronic backup facilities. For the avoidance of doubt, **Data** does not constitute tangible property.

2.10 **Denial of Service Attack** means temporary total or partial malicious deprivation of service to **your** **Computer System** without **your** information technology equipment, telecommunications equipment or infrastructure, including the associated software resources, sustaining any alteration or destruction.

2.11 **Excess** means the first part of **Damages** and **Expenses** of each and every **Claim** which shall be borne by **you**, the amount of which is listed on the **Schedule** (i.e. insurance payment in relation to each **single claim** will be provided only in the amount exceeding such **Excess**). In regards to coverage under Insuring Agreement 1.6 shall be the **Waiting Period**.

2.12 **Expenses** mean **Privacy Claims Expenses**, **Network Security Claims Expenses**, **Media Claims Expenses**, **Cyber Extortion Expenses**, **Data Asset Recovery Costs**, and **Incident Response Expenses**.

2.13 **Extended Reporting Period** means the period(s) following termination of the **policy period** during which **claims** may be notified to **us** in the extent and under the conditions described in General Condition 4.11 and 4.13.

2.14 **Hacking** means the malicious access to **Your Computer System**, for the purpose of creation, deletion, confiscation, collection, disruption, divulgation, interruption, or corruption of **your Data** or services.

2.15 **Human Error** means an operating error or omission, including the choice of the program used, an error in setting parameters or any inappropriate single intervention by an employee of the **insured** or by a third party providing services to you, which results in a loss, alteration or destruction of **your Data**.

2.16 **Incident Response Expenses** means those reasonable and necessary expenses incurred by **you** or which **you** become legally obligated to pay:

A. to retain the services to retain the services of a third party computer forensics firm to determine the cause and scope of your **Network Security** failure;
B. to comply with **Privacy Regulations**, including but not limited to the consumer notification provisions of **Privacy Regulations** of the applicable jurisdiction that most favours coverage for such expenses;
C. to retain a legal or regulatory advisor to determine the applicability and actions necessary to comply with **Privacy Regulations**;
D. to respond to any requests for information or demands by any government agency alleging the violation of **Privacy Regulations**, including the costs to provide any necessary privacy impact assessments, or costs to attend hearings.
E. with **our** prior written consent:
   1. to voluntarily notify individuals whose **Personal Data** has been wrongfully disclosed or otherwise compromised;
   2. to retain a notification service, including the services of a call center support service, to voluntarily notify individuals whose **Personal Data** has been wrongfully disclosed or otherwise compromised;
3. to retain the services of a licensed investigator or credit specialist to provide up to one year of fraud consultation to the individuals whose Personal Data has been wrongfully disclosed or otherwise compromised;
4. for credit monitoring, identity theft monitoring, social media monitoring, credit freezing, fraud alert service or fraud prevention software expenses for those individuals whose Personal Data has been wrongfully disclosed or otherwise compromised and who accept an offer made by or on behalf of you for credit monitoring, credit freezing or fraud alert services; and
5. to retain the services of third party identity restoration service for those individuals who are confirmed by a licensed investigator as victims of identity theft directly resulting from a Wrongful Act actually or allegedly committed by you and expressly covered under Insuring Agreement
6. to retain the services of a public relations firm, crisis management firm or law firm for advertising or related communications solely for the purpose of protecting or restoring your reputation as a result of a Wrongful Act;
7. to retain the services of a law firm solely to determine your indemnification rights under a written agreement with an independent contractor with respect to a Privacy Wrongful Act or Network Security Wrongful Act expressly covered under this Policy and actually or allegedly committed by such contractor;

Incident Response Expenses shall not include:
 a) costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the loss event or costs or expenses incurred to be compliant with Privacy Regulations;
 b) taxes, fines, penalties, injunctions, or sanctions; or
 c) your wages, salaries, internal operating costs or expenses, or fees.

2.17 Insurance Contract means the insurance contract concluded between us and the policyholder; these terms are conditions are part of the Insurance Contract.

2.18 Insured means the Insured Organisation and the Insured Person.

2.19 Insured Organisation means the Policyholder and any Subsidiary.

2.20 Insured Person means:
 A. any past, present or future statutory body or its member, director or non-executive director or member of any other body of the Insured Organisation, proxy-head (prokurista), employee (including agency or temporary employee) of the Insured Organisation while acting on the Insured Organisation’s behalf or at the Insured Organisation’s direction and control;
 B. a lawyer employed by the Insured Organisation who in their capacity as such must comply with Sarbanes-Oxley Act of 2002 (USA); and
 C. independent contractors of the Insured Organisation, who are natural persons, whilst performing duties on behalf of the Insured Organisation.

The term Insured Person includes:
 a) any spouse or registered partner of a director, officer or employee under clause A;
 b) heir of a deceased director, officer or employee under clause A,
 but only where such Claim is brought against such director, officer or employee.

The term Insured Person does not include any auditor, receiver, liquidator, administrator, trustee in bankruptcy, mortgagee in possession or the like or any employees of such person.

2.21 Insurer means Chubb European Group Ltd, with its registered office at The Chubb Building 100, Leadenhall Street, London EC3A 3BP, Great Britain, acting through its branch Chubb European Group Ltd, organizační složka, with its registered office at Pobřežní 620/3, 186 00 Prague 8, Czech Republic, identification number 278 93 723, registered in the Commercial Register kept by the City Court in Prague, Section A, Insert 57233.

2.22 Malware means programs, files or instructions of a malicious nature which may disrupt, harm, impede access to, or in any other way corrupt the operation of or Data within, any software or Computer System, including, but not limited to malicious code, ransomware, cryptoware, virus, trojans, worms and logic or time bombs.

2.23 Network Security means those activities performed by you, or by others on behalf of you, to protect against unauthorized access to, unauthorized use of, a Denial of Service Attack by a third party, or transmission of Malware to your Computer System.
2.24 **Payment Card Loss** means monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries which the **Insured** becomes legally obligated to pay as a result of a **Privacy Wrongful Act** or **Network Security Wrongful Act** and where such amount is due to the **Insured’s** non-compliance with the Payment Card Industry Data Security Standard.

**Payment Card Loss** shall not include:

A. subsequent fines or monetary assessments for continued noncompliance with the Payment Card Industry Data Security Standard beyond a period of three months from the date of the initial fine or monetary assessment; or

B. costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures.

2.25 **Personal Data** means:

A. An individual’s name, national identity number or national insurance number, medical or healthcare data, other protected health information, driver’s license number, state identification number, credit card number, debit card number, address, telephone number, email address, account number, account histories, or passwords; and

B. Any other nonpublic personal information as defined in **Privacy Regulations**;

in any format if such information creates the potential for an individual to be uniquely identified or contacted.

2.26 **Policy Period** means the period of time specified in the **Insurance Contract**, subject to any applicable prior termination.

2.27 **Policyholder** means the organization first specified as the policyholder in Item 1 of the **Insurance Contract**.

2.28 **Privacy Regulations** means regulations associated with the care, custody, control or use of **Personal Data**.

2.29 **Programming error** means error that occurs during the development or encoding of a program, application or operating system that would, once in operation, result in a malfunction of the computer system and/or an interruption of operation and/or an incorrect result.

**Programming Error** does not include integration, installation, upgrade or patching of any software, hardware or firmware on **your Computer System** unless you can evidence that the **Programming Error** arises from an **Accepted Program**.

2.30 **Property Damage** means physical injury to or loss or destruction of tangible property, including the loss of use thereof. However, solely with respect to Insuring Agreements 1.4, 1.5 and 1.6, and **Incident Response Expenses** covered under Insuring Agreements 1.1 and 1.2, **Property Damage** does not mean physical injury to, loss or destruction of, or loss of use of **Data**.

2.31 **Recovery Costs** means any reasonable and necessary costs to remove any **Malware** from **your Computer System** and/or reconstruct any **Data** due to a **Data Asset Incident** or mitigate a **Business Interruption Loss** due to a **Business Interruption Incident**, or identify and remediate a **Programming Error**; including but not limited to:

A. the use of external equipment hired or leased;

B. the implementation of alternative work methods;

C. costs to subcontract with an external service provider;

D. increased costs of labor;

E. **Incident Response Expenses** incurred with our prior written consent; or **Recovery Costs** do not include:

i) costs or expenses incurred to update, replace, restore, or otherwise improve **Media Content** to a level beyond that which existed prior to the loss event;

ii) costs or expenses incurred to identify or remediate software vulnerabilities,

iii) costs to update, restore, upgrade, update, maintain, or improve any **Computer System**;

iv) costs incurred to research and develop **Media Content**, including **Trade Secrets**;

v) the economic or market value of **Media Content**, including **Trade Secrets**; or

vi) any other consequential loss or damage.

2.32 **Regulatory Fines** means any civil monetary fine or penalty imposed by a governmental authority of any state or any body of the European Union in such entity's regulatory or official capacity under a **Regulatory Proceeding**. **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable under Czech law, criminal fines, disgorgement of profits or multiple damages.
2.33 **Regulatory Proceeding** means a request for information, demand, suit, civil investigation or civil proceeding by or on behalf of a authority of any state or any body of the European Union alleging the violation of **Privacy Regulations** as a result of your **Privacy Wrongful Act** and which may reasonably be expected to give rise to a covered **Claim** under Insuring Agreement 1.1 of this Policy.

2.34 **Retroactive Date** means the date specified in the **Insurance Contract** for the applicable Insuring Agreement.

2.35 **Single Claim** means all **Claims** or **Regulatory Proceedings** or other matters giving rise to a claim under this Policy that relate to the same originating source or cause or the same underlying source or cause, regardless of whether such **Claims**, **Regulatory Proceedings** or other matters giving rise to a claim under this policy involve the same or different claimants, insureds, events, or legal causes of action.

2.36 **Subsidiary** means any entity that is not formed as a partnership or joint venture of which the **Policyholder** has voting rights representing the present right to vote for election or appeal of directors or members of the board of managers or equivalent executives on or before the inception date of the policy, either directly or indirectly, in any combination, by one or more other **Subsidiaries**. A **Subsidiary** of the **Policyholder** is only covered under this policy with respect to **Wrongful Acts**, **Cyber Extortion Event**, **Data Asset Loss**, or **Business Interruption Incident** which occur while they are a **Subsidiary**.

2.37 If the **Policyholder** effects a sale or dissolution of a **Subsidiary** either prior to or during the **Policy Period**, this policy shall continue to include such **Subsidiary** but only for **Wrongful Acts** or conduct at time when it fulfilled the conditions under the previous paragraph.

2.38 **Trade Secret** means information, including a formula, pattern, compilation, program, device, method, technique or process, that derives independent economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain value from its disclosure or use, so long as reasonable efforts have been made to maintain its secrecy.

2.39 **Unauthorised Use or Access** means the entry or access to your **Computer System** by an unauthorised party or individual, including an employee or authorised party exceeding authority.

2.40 **Waiting Period** means the number of hours specified in the **Insurance Contract** following a **Business Interruption Incident**.

2.41 **We, us, and our** means the **Insurer**.

2.42 **Wrongful Act** means actual or alleged **Privacy Wrongful Act**, **Network Security Wrongful Act** or **Media Wrongful Act**.

2.43 **Wrongful Employment Practices** means any actual or alleged violation of employment laws or any other legal provisions relating to any individual’s actual or prospective employment relationship with the **Insured**, including:
   A. employment-related invasion of privacy, except with respect to that part of any **Claim** arising out of the loss of **Personal Data** which is otherwise covered under Insuring Agreement 1.1 of this policy;
   B. employment-related wrongful infliction of emotional distress, except with respect to that part of any **Claim** arising out of the loss of **Personal Data** which is otherwise covered under Insuring Agreement 1.1 of this policy.

2.44 **You and your** means the **Insured**.

2.45 **Your Computer System** means a **Computer System**:
   A. leased, owned, or operated by **you**; or
   B. operated for your benefit by a third party service provider under written contract with **you**.

3. **General exclusions**

We shall not be liable for **Damages** or **Expenses** on account of any **Claim**:

3.1 directly or indirectly caused by, arising out of or in any way connected with **your** conduct, or of any person for whose conduct you are legally responsible, which involves:
   1. committing or permitting any knowing or wilful breach of duty, or violation, of any laws; or
   2. committing or permitting any criminal including fraudulent act or omission or deliberate misleading a third person; or
   3. any actual or attempted gain of personal profit or advantage by **you** to which **you** were not entitled.
This Exclusion only applies where such conduct has been established to have occurred by final adjudication, or written admission.

This Exclusion shall not apply in relation to conduct under Clauses 1 to 3 above committed by or with knowledge of any employee of the company with the exception of employees which were, are or will be Chairman, Chief Executive, Risk Manager, Chief Technology Officer, Chief Information Security Officer, Chief Finance Officer, Managing Director, Finance Director, General Counsel, Risk Manager, Information Technology Manager of the Insured Company, or holder of an equivalent position in the Insured Company.

3.2 alleging, based upon, arising out of or attributable to any Bodily Injury or Property Damage.

3.3 for breach of any express, implied, actual or constructive contract, warranty, guarantee, or promise, including liquidated damages provisions or any liability assumed by you. This exclusion shall not apply to:
   A. any liability or obligation you would have in the absence of such contract, warranty, promise or agreement; or
   B. any indemnity by you in a written contract or agreement with your client regarding any Privacy Claim suffered by you that results in the failure to preserve the confidentiality or privacy of Personal Data of customers of your client.

3.4 brought or maintained by you, or on your behalf, or any other natural person or entity for whom or which you are legally liable. However, this exclusion shall not apply to Privacy Wrongful Acts expressly covered under Insuring Agreement 1.1.

3.5 alleging, based upon, arising out of or attributable to any:
   A. illegal discrimination of any kind;
   B. humiliation, harassment or misconduct based upon, arising out of or related to any such discrimination;
   C. Wrongful Employment Practices.

However, this exclusion shall not apply with respect to that part of any Privacy Claim alleging employment-related invasion of privacy or employment-related wrongful infliction of emotional distress in the event such claim arises out of the loss of Personal Data which is covered under Insuring Clause 1.1.

3.6 alleging, based upon, arising out of or attributable to any fees, expenses, or costs paid to or charged by you.

3.7 alleging, based upon, arising out of or attributable to a Wrongful Act actually or allegedly committed prior to the beginning of the Policy Period if, on or before the earlier of the effective date of this policy or the effective date of any policy issued by us of which this policy is a continuous renewal or a replacement, any principal, partner, officer, director or organizational equivalent of any Insured knew or reasonably could have foreseen that the Wrongful Act did or could lead to a Claim.

3.8 a) alleging, based upon, arising out of, or attributable to: any prior or pending litigation, claims, demands, arbitration, administrative or regulatory proceeding or investigation which was filed or commenced against you, and of which you had notice, on or before the earlier of the effective date of this policy or the effective date of any policy issued by us of which this policy is a continuous renewal or a replacement, or alleging or derived from the same or substantially the same fact, circumstance or situation underlying or alleged therein; or,
   b) any Wrongful Act, fact, circumstance or situation which has been the subject of any written notice given under any other policy before the effective date of this policy; or
   c) any other Wrongful Act whenever occurring which, together with a Wrongful Act which has been the subject of the notice under the previous paragraph, would constitute a Single Claim.

3.9 alleging, based upon, arising out of or attributable to any failure, interruption, or outage to Internet access service provided by the Internet service provider that hosts the your website, unless such infrastructure is under your operational control.

3.10 alleging, based upon, arising out of or attributable to fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.

3.11 alleging, based upon, arising out of or attributable to war, invasion, acts of foreign enemies, terrorism, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power. However, this exclusion shall not apply to an Act of Cyber-Terrorism expressly covered under Insuring Agreement 1.4.

3.12 alleging, based upon, arising out of or attributable to any validity, invalidity, infringement, violation or misappropriation of any patent or Trade Secret by or on behalf of you.
alleging, based upon, arising out of or attributable to any infringement, violation or misappropriation by you of any copyright, service mark, trade name, trademark or other intellectual property of any third party. However, this exclusion shall not apply to a Privacy Wrongful Act or Media Wrongful Act expressly covered under Insuring Agreements 1.1 or 1.3.

alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving the intentional unauthorized, surreptitious, or wrongful collection of Personal Data by you or the failure to provide adequate notice that such information is being collected.

Solely with respect to coverage under Insuring Agreement 1.3, alleging, arising out of, or attributable to the actual goods, products or services described, illustrated or displayed in Media Content.

Solely with respect to coverage under Insuring Agreements 1.5 and 1.6:
A. alleging, based upon, arising out of, or attributable to the ordinary wear and tear or gradual deterioration of Data, including any data processing media.
B. alleging, based upon, arising out of, or attributable to any action of a public or or governmental authority, including the seizure, confiscation or destruction of your Computer Systems or Data.

4. General conditions

4.1 Coverage Territory
To the extent permitted by the regulations and law (which expression is for this purpose taken to include but not be limited to any trade or economic sanctions applicable to either party), and subject to the terms of Insurance Contract and these terms and conditions, it covers Wrongful Acts committed and Claims made anywhere in the world. However, this policy does not apply to Claims or Regulatory Proceedings brought or originating in the United States or Canada or in any territory within the jurisdiction of either such country.

4.2 Governing Law
This insurance shall be governed by Czech Law. Any dispute arising from or otherwise relating to this insurance shall be decided by the relevant court in the Czech Republic.

4.3 Headings
In this policy headings are merely descriptive and not to aid interpretation.

4.4 Policy Limits
The Insurer will provide the indemnity in the maximum amount of an aggregate limit of liability set out in the Insurance Contract for any and all insured events under this policy which occur in the Policy Period; relevant limit of liability for any claim under this policy and relevant sub-limits of liability for each insurance under this policy are a part of and not in addition to the aggregate limit of liability and in any case, they do not increase the amount of the aggregate limit of liability.

Indemnity provided under Insuring Agreements 1.1 to 1.6 may be also subject to sub-limits of liability set out in the Insurance Contract; indemnity for any and all insured events from such insurances which occur during the Policy Period will be provided only up to the amount of such sub-limit.

The aggregate limit of liability and respective sub-limits of liability shall apply regardless of the number of claims, claimed amount, the number of Insureds, or when such claims are made under this policy.

Indemnity for each Single Claim is further limited by the limit of liability set out in the Insurance Contract.

4.5 Excess
Unless otherwise stated in the Insurance Contract or this policy, any indemnity for the under this insurance with respect to a Single Claim will be provided only in the amount exceeding the relevant Excess. The amount of Excess is borne by you and we are not obligated to pay any amount within such Excess.

4.6 Related Claims and Matters
This policy shall cover a Single Claim providing that the notice of the first Claim, Regulatory Proceedings or other matter giving rise to a claim under a policy, that became such Single Claim, was given by you to the Insurer during the Policy Period or the Extended Reporting Period.

4.7 Policy Period and Cancellation
The Insurance Contract is concluded for a definite Policy Period as stated in the Insurance Contract.

This policy shall cease or be terminated in cases set out in the Civil Code, particularly:
A. by elapsing of the Policy Period;
by expiration of an additional period for payment of premium as set out in our notice providing the overdue premium is
not paid;

by agreement of the parties;

with eight days’ notice period within 2 months after conclusion of the Insurance Contract;

with one month notice period within 3 months from the receipt of the notification on any claim; and

by withdrawal.

4.8 Notification

You must, as soon as practicable, give written notice to our address in the Insurance Contract of any Claim first made
or Regulatory Proceedings first commenced, or Damages first discovered, during the Policy Period or Extended
Reporting Period. All notifications under this policy must include the following information:

A. a specific description of the alleged Wrongful Act or other conduct; and

B. details of all parties involved, including their name, address, date of birth or the identification number; and

C. a copy of any Claim or related documents once they are available to you and any documentation regarding any
Regulatory Proceedings; and

D. complete details of any alleged Damages and Expenses; and

E. such other information as we may require.

Provided, however if an Insured Person should have notified us of a Claim or Regulatory Proceedings during the
Policy Period or Extended Reporting Period but was unable to do so due to being legally prohibited pursuant the
relevant legal regulations or by a public authority then we must be notified within thirty (30) days of the Insured Person
being legally able to do so, however, within twenty-four (24) months after the end of the Policy Period at the latest.

4.9 Allocation

In the event that any Claim involves both covered matters and matters not covered, a fair and proper allocation of any
Damages and Expenses shall be made between you and us taking into account the relative legal and financial exposures
attributable to covered matters and matters not covered under the Insurance Contract.

4.10 Conduct of Proceedings

It is your duty, not ours, to defend any Claim or proceedings commenced against you notified under this policy. The
Insurer, however, will have the right to effectively associate with any Insured in respect of any such Claim or
proceedings we may join or take over the defence; you shall provide us with all necessary cooperation.

You agree to do nothing which will or might prejudice us in respect of a Claim covered by this policy.

You must not make any admission of liability in respect of, or agree to settle, any Claim, including any Expenses,
without our prior written consent (which shall not be unreasonably delayed or withheld). You must, at your own
expense, give us or any other person appointed by us (investigators or legal representatives), all information they
reasonably require, and full co-operation and assistance in the conduct of the investigation defence, settlement, avoidance
or reduction of any actual or possible Damages or Expenses, Regulatory Proceedings or Claim (including the
documents, notices etc.).

4.11 Transactions

In the event one of the following occurs during the Policy Period in respect of the Policyholder:

A. it or all of its assets is or are acquired by another entity;

B. it merges or consolidates into or with another entity;

C. any person, entity or affiliated group of persons and/or entities obtains the right or power to elect, appoint or
designate at least fifty percent (50%) of the directors of it;

D. any person, entity or affiliated group of persons and/or entities acquires fifty percent (50%) or more of the issued
capital of it; or

E. a receiver, receiver and manager, liquidator, administrator, official manager or trustee is appointed to manage,
administer, liquidate, supervise, or otherwise take control,

the Policyholder shall inform us about such transaction within 30 days from effective day of such transaction at
the latest.

In the event a transaction occurs, we will only pay:

A. for the purposes of Insuring Agreements 1.1, 1.2 and 1.3 Expenses and Damages for any Wrongful Act committed
prior to such transaction and which is otherwise covered by this policy; and

B. for the purposes of Insuring Agreements 1.4, 1.5 and 1.6 Expenses and Damages for any Claim occurring prior to
such transaction and which is otherwise covered by this policy.
However, the Policyholder may, up to forty-five (45) days after such transaction, request an offer from us for an Extended Reporting Period of up to eighty-four (84) months from the expiry date of the Policy Period. Upon such request and following the receipt by us of any requested information, we shall offer to extend the cover under this policy for an Extended Reporting Period of up to eighty-four (84) months on such terms and conditions and at such premium as we may decide in our discretion.

4.12 Acquisitions and Creation of New Subsidiaries
If the Policyholder acquires, establishes or gets a new Subsidiary in any other way whereas:

A. the new Subsidiary does not increase the Insured Organisation’s total assets by more than twenty percent (20%) based on the Insured Organisation’s latest audited consolidated financial statements or annual report; and

B. the new Subsidiary is domiciled outside of the United States of America or its Territories; and

C. the new Subsidiary is not registered as an Investment Advisor with the US Securities and Exchange Commission; and

D. the new Subsidiary’s business activities are not materially different in their nature to those of the Insured Organisation,

such Subsidiary is automatically included into the policy without notification to us or payment of any additional premium (i.e. the definition of Subsidiary under this policy is extended to include any company, which becomes a Subsidiary during the Policy Period).

In respect of any new Subsidiary falling outside the terms of clause above, cover will be automatically provided for a period of sixty (60) days from the date of acquisition, incorporation or creation. This automatic cover may be extended beyond the sixty (60) days with our written consent on such terms as we may apply and endorse to the policy.

In respect of these new Subsidiaries, cover only applies to Claims first made, proceedings first commenced or Damages first discovered during the Policy Period in respect of Wrongful Acts and other conduct committed after the acquisition or creation of the new Subsidiary.

4.13 Non-Renewal Extended Reporting Periods
If on expiry, any Insuring Agreement under this policy is neither renewed nor replaced with insurance providing such coverage with any insurer, any Insured is entitled to an Extended Reporting Period of forty-five (45) days automatically for no additional premium.

The Insurer and the Policyholder may conclude, subject to the payment of an additional payment of one hundred percent (100%) of the premium, on extension the cover under that Insuring Agreement of this policy for an Extended Reporting Period of twelve (12) months from the expiration of the Policy Period, provided that:

A. the extended cover applies only to claims for which the applicable Insuring Agreement of this policy that is neither renewed nor replaced, before or during the Extended Reporting Period, with a policy providing coverage to that effect and:

i) for Insuring Agreements 1.1, 1.2 and 1.3 in relation to Wrongful Acts wholly committed before the expiry of the Policy Period and notified to us before the expiry of the Extended Reporting Period; and

ii) for Insuring Agreements 1.4, 1.5 and 1.6 in relation to Claims occurring before the expiry of the Policy Period and notified to us before the expiry of the Extended Reporting Period;

B. to exercise this Extended Reporting Period, the Policyholder must, within the forty-five (45) day period after the expiration of the Policy Period provide a written notice to us of the intention to exercise the twelve (12) month option and pay the additional premium; we may set out specific conditions at our discretion for such Extended Reporting Period (including specific limit of liability);

C. you shall not have the right to purchase the 12 month Extended Reporting Period in the event that a transaction occurs;

D. the Extended Reporting Period is not available in the event the Insurance Contract is cancelled or avoided; any additional premium payable under this clause will be fully earned upon payment and will be non-refundable;

E. for the avoidance of doubt, you agrees that our offer of renewal terms, conditions, limits of liability or premium different from those of this policy does not constitute a refusal to renew;

F. There shall be no entitlement to an Extended Reporting Period in the event, and from the date that, the Policyholder obtains any similar insurance cover; in such an event, any Extended Reporting Period already purchased shall automatically be cancelled; the premium shall have been fully earned at inception of the Extended Reporting Period.

4.14 Subrogation
If any payment is made by us under this policy, we will be subrogated to all of your rights of indemnity, contribution or recovery in relation to that payment.
You must, at your own expense, provide us with all reasonable assistance and cooperation in securing and enforcing such rights including providing us with all relevant written documentation and undertaking all necessary acts. You must not surrender any right, or settle any claim for indemnity, contribution or recovery, without our prior written consent.

We agree to waive our rights of subrogation against you under this policy except where it has been established such Insured has in relation to the relevant claim committed a deliberate criminal act, fraudulent or malicious act, or obtained any profit or advantage to which such Insured was not entitled.

4.15 Severability and Non-Avoidance
Any information communicated by any of the Insureds to us shall be imputed to any other Insured to determine whether cover is available for that other Insured; also no conduct of, facts known to or knowledge possessed by any one Insured shall be imputed to any other Insured.

Only the statements in the questionnaire and other communication before conclusion of the Insurance Contract and your knowledge may be imputed to the Policyholder for determination whether an indemnity will be provided.

With respect to this policy, action or omissions, statements made or knowledge possessed by any past, present or future director or officer, shareholder or senior employee of the Insured Organisation or any person who holds an equivalent position in the Insured Organisation, will be imputed to such Insured Organisation.

4.16 Confidentiality
You must not disclose the terms, the nature or any policy limit or the premium payable under the Insurance Contract, to any third party, unless we provide you with our written consent, except where required by the relevant legal regulations or by decision of the public authority.

4.17 Assignment
The Insurance Contract and any rights arising under the Insurance Contract cannot be assigned without our prior written consent.

4.18 Other Insurance
If any Claim, Expense, Regulatory Proceeding or Damages, is or are insured under any other policy entered into by, or effected on behalf of you, or under which you are a beneficiary, whether prior or current, then to the extent legally permissible, this policy, subject to its limitations, conditions, provisions and other terms, will only cover to the extent that the amount of it is in excess of the amount of such other insurance. You must notify us on conclusion or existence of any such insurance without undue delay.

The obligation under the previous paragraph does not apply to such other insurance that is written specifically as excess insurance over the policy limit specified in the Insurance Contract.

4.19 Monetary Payment
You are obliged to provide the insurance indemnity in no other form than in a monetary payment regardless of whether the Civil Code requires or allows providing compensation for loss through non-monetary payment.

4.20 Fraudulent Claims
If you make a claim for indemnity under this insurance knowing the same to be false or fraudulent as regards the amount or otherwise, we have right to refuse to provide insurance benefits. The Policyholder does not have right to return of any premium paid. By refusal of the insurance benefits, this insurance is not terminated.

4.21 Insurable Interest
This insurance can be concluded only provided that the Policyholder has an Insurable Interest.

If the Policyholder knowingly insures a non-existent Insurable Interest without our knowledge, the Insurance Contract is invalid; in such a case we have a right for premium until the date it learns about invalidity of the Insurance Contract.

The Policyholder and the Insured shall inform the Insurer in writing without undue delay when the Insurable Interest ceases to exist; in such a case this insurance is also terminated; the Insurer has, however, right to the premium until the date it learns about such termination.

4.22 Insurance Risk
The Policyholder or the Insured shall not, without our consent, do anything or allow any other person to do anything that may increase the Insurance Risk. The Policyholder and the Insured shall inform the Insurer in writing without undue delay about any change or termination of the Insurance Risk which occurred during the Policy Period.

If the Insurance Risk is increased during the Policy Period, the Insured has right to propose amendment to the Insurance Contract or to terminate the Insurance Contract in accordance with relevant statutory provisions. If the Insurance Risk is substantially reduced during the Policy Period, we shall reduce the premium proportionally with effect from the day it learns about such reduction.
4.23 **Premium**
The premium shall be a lump sum premium unless otherwise set out in the **Insurance Contract**. The premium is payable within the period specified in the **Insurance Contract**. The premium shall be considered as paid on the date it is credited to our account as set out in the **Insurance Contract** or if the **Insurance Contract** does not set out such an account to other account duly notified to the **Policyholder**. In case of delayed payment of premium, the insurance shall not be interrupted.

4.24 **Trade and Economic Sanctions Clause**
Chubb European Group Limited is a subsidiary of a US parent and Chubb Limited (a NYSE listed company) and part of the Chubb Group of companies. Consequently, Chubb European Group Limited is subject to certain US laws and regulations in addition to EU, UN and national sanctions restrictions which may prohibit it from providing cover or paying claims to certain individuals or entities, and from insuring certain types of activities in or connected with certain countries and territories such as, but not limited to, Iran, Syria, North Korea, North Sudan, Cuba and Crimea.

4.25 **Written Form and Amendments**
The **Insurance Contract** and other legal acts relating to this insurance shall be made in a written form. The **Insurance Contract** may only be amended by a written agreement of the parties.

4.26 **Delivery**
The **Policyholder** and the **Insured** shall notify us without undue delay about any change of their delivery address. Communications in writing sent under this policy shall be delivered to the address of a party set out in the **Insurance Contract** or otherwise duly communicated to the sender. The addressee is obliged to ensure that a duly addressed communication is accepted within three working days after first due attempt to deliver. If the addressee makes the delivery impossible (e.g. due to failure to notify the change of delivery address or new delivery address), such shipment is considered to be delivered on the third working day after its posting (or at the fifteenth day after the posting in case the delivery address is outside the Czech Republic).

4.27 **Exclusion of Certain Statutory Provisions**
Section 1740 paragraph 3 of the **Civil Code** regarding acceptance of an offer with supplements or variations shall not apply.
Section 1743 of the **Civil Code** regarding late oral acceptance of an offer or acceptance of an offer by behaviour in accordance with the offer shall not apply.
Sections 1799 and 1800 of the **Civil Code** regarding contracts concluded adhesively shall not apply.

4.28 **Complaints**
In case of any complaints or enquiries regarding this insurance, please contact the insurance intermediary through which the **Insurance Contract** was concluded or the **Insurer** on the address stated in the **Insurance Contract**.
If you are not satisfied, you are entitled to refer this matter to the regulatory authority, which is the Czech National Bank. The address of the Czech National Bank is:

**Czech National Bank**

Na Příkopě 28
115 03 Praha 1
Czech Republic
tel.: +420 224 411 111
About Chubb

Chubb is the world’s largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. We combine the precision of craftsmanship with decades of experience to conceive, craft and deliver the very best insurance coverage and service to individuals and families, and businesses of all sizes.

Chubb is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. The company serves multinational corporations, mid-size and small businesses with property and casualty insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, home and car insurance and other specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage.

Chubb’s core operating insurance companies maintain financial strength ratings of AA from Standard & Poor’s and A++ from A.M. Best. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.