

PREAMBLE

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide, subject always to **our** receipt of the Premium. This Policy consists of and must be read together with the Schedule and any Endorsements. This Policy is not complete unless it is signed and a Schedule is attached.

The Sections of this Policy are identified by the **BLUE LINES** across the page with **WHITE UPPER CASE PRINT**. Clause headings in **BLUE UPPER CASE PRINT** are for information only and do not form part of the cover given by this Policy. Other terms in bold lower case print are defined terms and have a special meaning as set forth in the **DEFINITIONS** section and elsewhere. Words stated in the singular shall include the plural and vice versa.

IMPORTANT: INSURING CLAUSES 1 and 2 (SECTIONS A and B only) provide cover on a claims made basis. Under these **INSURING CLAUSES** a **claim** must be first made against **you** and notified to **us** during the **period of the policy** to be covered. These **INSURING CLAUSES** do not cover any **claim** arising out of any actual or alleged **wrongful act** occurring before the date specified as the Retroactive Date in the Schedule.

In consideration of the Premium and in reliance upon the information that **you** have provided to **us** prior to commencement of this insurance and which is deemed to form the basis of this insurance.

INSURING CLAUSES

INSURING CLAUSE 1: PROFESSIONAL INDEMNITY

SECTION A: ERRORS & OMISSIONS

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of any:

- a) negligent act, error, omission, advice, misstatement or misrepresentation; or
- b) breach of any contractual term implied by law concerning necessary quality, safety or fitness, or **your** duty to use reasonable care and skill; or
- c) breach of warranty of authority, breach of duty, breach of trust, breach of confidence, misuse of information or breach of privacy; or
- d) libel, slander or defamation; or
- e) dishonesty of **your senior executive officers** or **employees** provided that **we** maintain all rights of subrogation to recover such legal **costs and expenses** from any **senior executive officer** or **employee** if they are found guilty of such a dishonest act; or
- f) breach of the terms of the Competition and Consumer Act (Cth.)(CCA) as well as any Fair Trading legislation of any State or Territory of Australia; or
- g) other act, error or omission giving rise to civil liability to **your clients** but not any breach of contract, save as specified above;

committed by **you** or on **your** behalf, but not by **placed personnel**, in the course of **your business activities**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: VICARIOUS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** by a **client** first made against **you** and notified to **us** during the **period of the policy** arising out of any act, error, omission, advice, misstatement or misrepresentation, committed by **placed personnel**.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: PLACED PERSONNEL DISHONESTY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** arising out of any **loss** discovered by **your client** due to the dishonesty of **placed personnel**;

provided that:

- a) **your client** shall operate the same systems of check and supervision as if **placed personnel** were their own employees; and
- b) the **placed personnel** involved in the dishonest act shall be capable of being prosecuted to conviction.

We will also pay **costs and expenses** on **your** behalf.

SECTION D: BREACH OF CONTRACT

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** by a **client** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of any **breach of client contract**.

We will also pay **costs and expenses** on **your** behalf.

SECTION E: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) infringement of any intellectual property rights, including, but not limited to, copyright, trademark, trade dilution, trade dress, design rights, domain name rights, moral rights, service mark or service name, but not including patent; or
- b) misappropriation of a trade secret; or
- c) act of passing-off, piracy or plagiarism or any misappropriation of content, concepts, format rights or ideas or breach of a contractual warranty relating to intellectual property rights; or
- d) breach of any intellectual property rights licence acquired by **you**; or
- e) failure to attribute authorship or provide credit.

We will also pay **costs and expenses** on **your** behalf.

SECTION F POLLUTION LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **pollution**.

We will also pay **costs and expenses** on **your** behalf.

SECTION G: LOSS OF DOCUMENTS

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **damage to your documents** or **documents** in **your** care, custody or control.

We will also pay **costs and expenses** on **your** behalf.

SECTION H: LOSS MITIGATION

We agree to pay any reasonable costs necessarily incurred by **you** with **our** prior written consent in respect of measures taken by **you** for the sole purpose of avoiding or mitigating a **claim** or potential **claim** for which **you** would be entitled to indemnity under **INSURING CLAUSE I** of this Policy had such measures not been taken.

However, **we** shall not pay any costs attributable to measures taken by **you** to mitigate risks that affect the wider business environment or the industry in which **you** conduct **your** Business Activities (as stated in the Schedule), as opposed to affecting primarily the company named as the Insured in the Schedule itself, or any **subsidiary**.

SECTION I: PAYMENT OF WITHHELD FEES

We agree to pay **your withheld fees** with **our** prior written consent in the event that **your client** brings or threatens to bring a **claim** against **you** that would be covered under **INSURING CLAUSE I, SECTIONS A, B, C or D** for an amount greater than **your withheld fees** if **you** attempt to recover the **withheld fees** from them. Prior to payment of **your withheld fees** you must obtain written confirmation from **your client** that they will not bring a **claim** against **you** if **you** agree not to pursue them for **your withheld fees** and provide it to **us**.

INSURING CLAUSE 2: CYBER & PRIVACY

SECTION A: CYBER LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for any:

- a) **third parties'** financial losses arising directly from a **hacking attack** or **virus** that has emanated from or passed through **your computer systems**; or
- b) **third parties'** financial losses arising directly from their inability to access **your computer systems** in the way in which **you** have authorised them to as a direct result of **your computer systems'** failure or impairment due to a **hacking attack** or **virus**; or
- c) **third parties'** financial losses arising directly from the loss or theft of **your data** or data for which **you** are responsible or held to be responsible arising directly from a **hacking attack** or **virus**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: PRIVACY LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** for:

- a) a breach of any individual privacy rights, unintentional disclosure of personal information, failure to maintain the security of personally identifiable data including credit card information for which **you** are responsible, violation of any legal obligation relating to the security of personal information, or failure to warn of an actual or potential theft of personal information; or
- b) a breach of any rights of confidentiality, including a breach of any provisions of a non-disclosure agreement or breach of a contractual warranty relating to the confidentiality of data; or
- c) any fines, penalties or contractual damages **you** are legally obliged to pay as a direct result of a breach of **privacy obligations** where insurable under the applicable law.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: PRIVACY BREACH NOTIFICATION COSTS

We agree to reimburse **you** for **privacy breach costs**, subject to **our** prior written agreement (such agreement not to be unreasonably withheld):

- a) that **you** are legally obliged to incur; or
- b) that **you** are not legally obliged to incur, but where the reimbursement of these **privacy breach costs** will effectively mitigate or avoid a **claim** for which **you** would have been entitled to indemnity under **SECTION B of INSURING CLAUSE 2** had such **privacy breach costs** not been incurred.

SECTION D: SYSTEM DAMAGE

We agree to reimburse **you** up to the **amount insured** shown in the Schedule for **rectification costs**, subject to **our** prior written agreement (such agreement not to be unreasonably withheld) which **you** incur:

- a) in retrieving, restoring or replacing any of **your** computer programs or any other data media (or any other computer programs or any

- b) other data media for which **you** are responsible) that **you** first discover during the **period of the policy** have been **damaged**; or in repairing, restoring or replacing any of **your computer systems** that **you** first discover during the **period of the policy** have been **damaged**; as the direct result of any **cyber peril** or accidental **damage** to **your** data first discovered during the **period of the policy**.

We also agree to pay **costs and expenses** on **your** behalf.

However, **we** shall not reimburse **you** for any **rectification costs** under this **SECTION** of **INSURING CLAUSE 2** which are covered under **INSURING CLAUSE 3, SECTION A** regardless of whether **you** have purchased **INSURING CLAUSE 3, SECTION A** and regardless of any exhaustion of the **amount insured** of **INSURING CLAUSE 3, SECTION A**.

SECTION E: SYSTEM BUSINESS INTERRUPTION

We agree to reimburse **you** up to the **amount insured** shown in the Schedule for **your loss of income** incurred as the direct result of any **cyber peril** first discovered during the **period of the policy**.

We also agree to pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 3: PROPERTY

SECTION A: PROPERTY DAMAGE

We agree to reimburse **you** up to the **amount insured** shown in the Schedule for:

1. the cost of repairing **damage** occurring during the **period of the policy** to **your premises**, including landlord's fixtures and fittings, walls, gates and fences, yards, car parks and pavements, trees, shrubs, plants and lawns, piping, ducting, cables, wires and associated control gear and accessories at **your premises** and extending to the public mains but only to the extent of **your** responsibility; or
2. **damage** occurring during the **period of the policy** to contents contained at **your premises**; or
3. **damage** occurring during the **period of the policy** to contents kept at the home of **your senior executive officers** or **employees** in the course of **your business activities**; or
4. **damage** occurring during the **period of the policy** to contents permanently or temporarily elsewhere, including while in transit; or
5. the necessary and reasonable costs **you** incur following **damage** occurring during the **period of the policy** to glass which belongs to **you** or for which **you** are legally responsible for:
 - a) temporary boarding up; or
 - b) repair of window frames or removal or replacement of fixtures and fittings in the course of replacing the glass; or
 - c) replacement lettering or other ornamental work and alarm foil on glass; or
6. **damage** occurring during the **period of the policy** to money held in the course of **your business activities**:
 - a) at **your premises** in transit or in a Bank Night Safe; or
 - b) at the home of **your senior executive officers** or **employees**; or
7. **damage** occurring during the **period of the policy** to the personal belongings of **your senior executive officers** or **employees** or visitors to **your premises** provided they are not covered under any other insurance; or
8. the reasonable cost of reconstituting the data **you** need to continue **your business activities** if **your** business records and electronic data have been lost or distorted as a direct result of **damage** covered under this **INSURING CLAUSE**; or
9. the costs **you** incur to replace locks and keys necessary to maintain the security of **your premises** or safes following theft of keys involving force and violence occurring during the **period of the policy**; or
10. the amount of any rent for **your premises** which **you** are legally obliged to pay for any period during which **your premises** or any part of it is unusable as a result of **damage** covered under this **INSURING CLAUSE**; or
11. loss of metered water or gas, as a result of **damage** resulting in a water or gas charge that **you** are unable to recover from any **third party**.

SECTION B: PERSONAL ACCIDENT

We agree to pay on **your** behalf compensation as shown in the Schedule if any of **your senior executive officers** or **employees** who are aged between 16 and 70 on the Inception Date shown in the Schedule suffers **bodily injury** in the course of **your business activities** in a robbery or attempted robbery and suffers:

- i) death, **permanent total disablement**, **loss of a limb** or **loss of sight** as a direct result of the **bodily injury** within one year of the date of its occurrence; or
- ii) **temporary total disablement**. The compensation for **temporary total disablement** will be the amount shown in the Schedule per week, for a maximum of 104 weeks.

However, we will not pay compensation under more than one heading in the Schedule for the same **bodily injury**.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION C: BUSINESS INTERRUPTION – FLEXIBLE FIRST LOSS

We agree to reimburse **you** up to the **amount insured** shown in the Schedule for **your loss of income, costs and expenses** and **outstanding debts** resulting solely and directly from an interruption to **your business activities** caused by:

1. **insured damage** to **your premises** or **contents** or to any other property used by **you** at **your premises**; or
2. **insured damage** to property in the vicinity of **your premises** which prevents or hinders **your** access to **your premises**; or
3. **insured damage** at the premises of one of **your** suppliers, other than a supplier of water, gas, electricity or telephone services; or
4. failure in the supply of water, gas, electricity, or telephone services to **your premises** for more than 24 consecutive hours caused by **insured damage** to any property; or
5. **your** inability to use **your premises** due to restrictions imposed by a public authority following:
 - a) a murder or suicide; or
 - b) an occurrence of a notifiable human disease; or
 - c) **bodily injury** traceable to food or drink consumed at **your premises**; or
 - d) vermin or pests at **your premises**.

INSURING CLAUSE 4: PUBLIC LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury, personal injury** or **damage** occurring during the **period of the policy** in the course of **your business activities** or the activities of **placed personnel**.

We will also pay **costs and expenses** on **your** behalf.

However, we will not make any payment on **your** behalf under this **INSURING CLAUSE** in respect of any **claim**:

- a) which is covered under **INSURING CLAUSE 1**, or would be covered under **INSURING CLAUSE 1** but for the exhaustion of the **limit of liability** or **aggregate limit of liability** of **INSURING CLAUSE 1**;
- b) arising directly or indirectly out of any **product**; or
- c) arising directly or indirectly out of any **pollution**.

INSURING CLAUSE 5: PRODUCTS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** in the course of **your business activities** in connection with any **product**.

We will also pay **costs and expenses** on **your** behalf.

However, we will not make any payment on **your** behalf under this **INSURING CLAUSE** in respect of any **claim**:

- a) which is covered under **INSURING CLAUSE 1**, or would be covered under **INSURING CLAUSE 1** but for the exhaustion of the **limit of liability** or **aggregate limit of liability** of **INSURING CLAUSE 1**; or
- b) arising directly or indirectly out of any **pollution**.

INSURING CLAUSE 6: COURT ATTENDANCE COSTS

We agree to reimburse **you** up to the **amount insured** shown in the Schedule for **your** reasonable costs (including legal representation costs) incurred with the prior written agreement of the Claims Managers to attend court or any arbitration or adjudication hearing or inquiry in connection with **your business activities**.

HOW MUCH WE WILL PAY

The maximum amount payable by **us** for all **claims, losses, damage** and **costs and expenses** shall not exceed the amounts shown in the Schedule in respect of each **INSURING CLAUSE** unless limited below.

Where more than one **claim** or **loss** arises from the same original cause or single source or event all such **claims** or **losses** shall be deemed to be one **claim** or **loss** and only one **limit of liability** shall be payable in respect of the aggregate of all such **claims** or **losses**.

Where cover is provided under multiple **SECTIONS** of **INSURING CLAUSES 1** or **2**, or more than one **INSURING CLAUSE** out of **INSURING CLAUSES 1** or **2**, the maximum amount payable by **us** in respect of any **claim** shall be the highest Limit of Liability of the **SECTIONS** or **INSURING CLAUSES** under which cover is provided.

In respect of **INSURING CLAUSES 1, 4** and **5** we may at any time pay to **you** in connection with any **claim** the amount of the **aggregate limit of liability** or **limit of liability** (after deduction of any amounts already paid). Upon such payment being made we shall relinquish the conduct and control of and be under no further liability in connection with such **claim** except for the payment of **costs and expenses** incurred prior to the date of such payment (unless the **aggregate limit of liability** or **limit of liability** is stated to be inclusive of **costs and expenses**).

In respect of **INSURING CLAUSE 3 SECTIONS A** and **B** only:

- a) at **our** option, we will pay for any **damaged** property on the following basis:
 - i) for **your premises**, the cost of rebuilding or replacing the **damaged** property;

- ii) for **contents**, the cost of repair or replacement as new.
- b) If, at the time the **damage** occurs, the **amount insured** is less than 80% of the total value of **your premises** or **contents** insured, the amount we will pay will be reduced in the same proportion as the **amount insured** bears to the total value of or **contents** insured.
- c) The **amount insured** for **your premises** and **contents** will be adjusted monthly in line with any increase in the consumer price index, as published by the Australian Bureau of Statistics. We will not reduce the **amount insured** without **your** agreement.
- d) Where improvements made by **you** to **your premises** are not **damaged**, but the lease on **your premises** is cancelled as a result of **insured damage**, we shall pay for the cost of reinstating such improvements to the extent that they are not salvageable.

In respect of **INSURING CLAUSE 3 SECTION C** only, the amount we will pay will be:

- a) the difference between **your** actual **income** during the **indemnity period** and the **income** it is estimated **you** would have earned during that period or, if this is **your** first trading year, the difference between **your income** during the **indemnity period** and during the period immediately prior to the **loss**, less any savings resulting from the reduced costs and expenses **you** pay out of **your income** during the **indemnity period**;
- b) any additional **costs and expenses**;
- c) any **outstanding debts**, provided **you** keep a record of all amounts owed to **you** and keep a copy of the record away from **your premises**.

YOUR DEDUCTIBLE

We shall only be liable for that part of each and every **claim** or **loss** (which for the purpose of this clause shall be deemed to include all **costs and expenses** incurred) which exceeds the amount of the Deductible stated in the Schedule.

Where more than one **claim** or **loss** arises from the same original cause or single source or event all such **claims** or **losses** shall be deemed to be one **claim** or **loss** and only one Deductible will apply.

Where cover is provided under multiple **SECTIONS** of an **INSURING CLAUSE** only one Deductible will apply to that **claim** or **loss** and this shall be the highest Deductible of the **SECTIONS** under which cover is provided.

If any expenditure is incurred by **us** which by virtue of this clause is **your** responsibility then **you** shall reimburse such amount to **us** on **our** request or where possible **we** will deduct such amount from any payment **we** make to **you**.

DEFINITIONS

1. **“Aggregate limit of liability”**
means the maximum amount payable as stated in the Schedule by **us** in respect of all **claims** and **losses**.
2. **“Amount insured”**
means the maximum amount payable by **us** as stated in the Schedule in respect of each of **INSURING CLAUSE 2 (SECTIONS D and E only)**. The amount applies to each incident of **loss** or **damage** occurring during the **period of the policy** provided always that after the first incident of **loss** or **damage** **you** comply with **our** recommendations to prevent any further incidents of **loss** or **damage**.
3. **“Bodily injury”**
means death, bodily injury, mental injury, illness or disease of or to any person.
4. **“Breach of client contract”**
means **your** unintentional breach of a contract relating to the performance of **your business activities** for a **client**.
5. **“Business activities”**
means:
 - a) in respect of **INSURING CLAUSES 1 and 2** the Business Activities as stated in the Schedule; or
 - b) in respect of all other **INSURING CLAUSES**, the Business Activities as stated in the Schedule and shall include, for the purpose of those Business Activities:
 - i) the ownership, repair and maintenance of **your** property; or
 - ii) provision and management of canteen, social, sports and welfare organisations for the benefit of **your senior executive officers** or **employees** and medical, fire fighting, and security services; or
 - iii) attendance at conferences and tradeshows as either an exhibitor or visitor.
6. **“Claim”**
means:
 - a) a demand for money, services, retraction or correction, including the service of suit or initiation of arbitration or mediation proceedings; or
 - b) a threat or initiation of a suit seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction) or declaratory relief; or
 - c) a disciplinary action, regulatory investigation or proceeding brought by any professional body, occupational health and safety body or regulator.
7. **“Client”**
means any **third party** with whom **you** have a contract in place for the supply of **your business activities** in return for a fee, or where a fee would normally be expected to be paid.
8. **“Computer systems”**
means all electronic computers including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups.
9. **“Contents”**
means the **contents** of **your premises** used in connection with **your business activities** which are owned by **you** or for which **you** are legally responsible, including:
 - a) computer and ancillary equipment (including VDUs, keyboards, printers and software), television and video equipment, photographic, photocopying, surveying and telecommunications equipment; or
 - b) briefs, manuscripts, plans, business books, computers systems records and programs; or
 - c) goods held in trust, stock and samples; or
 - d) wines, spirits and tobacco kept for entertainment purposes; or
 - e) works of art or precious metals; or
 - f) fixed glass in windows, doors and fanlights, glass showcases, glass shelves, mirrors and sanitary fixtures and fittings; or
 - g) heating oil for **your premises** contained in fixed tanks in the open at the address shown in the Schedule; or
 - h) tenant’s improvements, decorations, fixtures and fittings including, if attached to the building, external signs, aerials and satellite dishes; or
 - i) pipes, ducting, cables, wires and associated control equipment at the address shown in the Schedule and extending to the public mains.
10. **“Costs and expenses”**
means:
 - a) in respect of **INSURING CLAUSES 1 and 2 (SECTIONS A and B only)**:
 - i) **your** legal costs and expenses in the defence or settlement of any **claim** made against **you**; and
 - ii) **your** legal costs and expenses in the defence of any criminal claim made against **you**, provided that **we** maintain all rights of subrogation against any **senior executive officer** or **employee** if they are found guilty of such a criminal act; and
 - iii) **your** legal costs and expenses incurred in quashing or challenging the scope of any subpoena or witness summons ordering **you** to disclose or produce any information or material which was created, produced or disseminated by **you**; and
 - iv) interest on that part of any judgment **we** pay that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the **limit of liability**; and
 - b) in respect of **INSURING CLAUSES 2 (SECTIONS D and E only)** and **3**, the costs and expenses incurred by **you** or on **your** behalf in establishing that **you** have sustained a **loss** or **damage** and the quantum of such **loss** or **damage** or the costs and expenses incurred by **you** or on **your** behalf in mitigating any such **loss** or **damage**; and
 - c) in respect of **INSURING CLAUSE 3 (SECTION A only)**, the necessary and reasonable costs and expenses **you** incur to remove debris from **your premises** or the area immediately adjacent, following **damage** covered under this **INSURING CLAUSE**; and
 - d) in respect of **INSURING CLAUSES 2 (SECTION E only)** and **3 (SECTION C only)** the necessary and reasonable additional costs and expenses **you** incur in order to continue

your business activities as stated in the Schedule during the **indemnity period**; and

- e) in respect of **INSURING CLAUSES 4 and 5**, **your** legal costs and expenses in the defence or settlement of any **claim** made against **you**.

Subject to all **costs and expenses** being incurred with the Claims Managers' written agreement (such consent not to be unreasonably withheld).

If **costs and expenses** are shown in the Schedule to be in addition to the **aggregate limit of liability** or **limit of liability** in respect of **INSURING CLAUSES 1, 2 (SECTIONS A and B only) 4 and 5**, and if a payment in excess of the amount of indemnity available hereunder has to be made to dispose of any **claim**, **our** liability for such **costs and expenses** shall be such proportion thereof as the amount of indemnity available hereunder bears to the amount required to dispose of such **claim**.

Costs and expenses are always included in the **amount insured** in respect of **INSURING CLAUSES 2 (SECTIONS D and E only) and 3**.

11. **"Cyber peril"**

means any:

- a) **hacking attack** or **virus**; or
- b) malicious damage to **your computer systems** by an **employee**; or
- c) failure of a **third party** hosting **your computer systems** as a direct result of (a) or (b) above.

12. **"Damage/damaged"**

means direct physical **damage** to, or destruction of, or loss of possession of, tangible property. In respect of **INSURING CLAUSES 1, 2 (SECTIONS A and B only) and 5** **damage** does not include **damage** to or destruction of, or loss of possession of, or loss of use of, or corruption of, data.

13. **"Documents"**

means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms, computer programs or any other data and documents of any nature whatsoever, whether written, printed or reproduced by any other method (other than bearer bonds, coupons, bank notes, currency notes and negotiable instruments).

14. **"Employee"**

means any:

- a) person employed by the company named as the Insured in the Schedule, or any **subsidiary**; or
- b) person undertaking study or work experience or youth training scheme with the company named as the Insured in the Schedule, or any **subsidiary**.

Employee does not include any **senior executive officer** of the company named as the Insured in the Schedule, or any **subsidiary** or **placed personnel**.

15. **"Hacking attack"**

means any malicious or unauthorised electronic attack including but not limited to any fraudulent electronic signature, brute force attack, phishing, denial of service attack, that has been initiated by any **third parties** or by any **employees** and that is designed to **damage**, destroy, corrupt, overload, circumvent or impair the functionality of **computer systems**.

16. **"Income"**

means **your** total income from **your business activities** less direct costs.

17. **"Indemnity period"**

means the period beginning at the date of the **damage**, or the date the restriction is imposed, and lasting for the period during which **your income** or expenditure is affected as a result of such **damage** or restriction, but for no longer than the number of months shown in the Schedule.

18. **"Insured damage"**

means **damage** to property provided that:

- a) the **damage** is covered under **INSURING CLAUSE 3 (SECTIONS A and B only)**; or
- b) an insurer has paid the claim, or has agreed to pay the claim, under any other insurance covering such **damage**.

19. **"Limit of liability"**

means the maximum amount payable by **us** as stated in the Schedule in respect of each **claim** or **loss**.

20. **"Loss of a limb"**

means loss by physical separation of a hand at or above the wrist, of a foot at or above the ankle, and includes total and irrecoverable **loss** of use of a hand, arm or leg.

21. **"Loss of sight"**

means total and irrecoverable loss of sight.

22. **"Loss"**

means direct financial loss sustained by **you**.

23. **"Money"**

means cash, bank and currency notes, cheques, travellers' cheques, postal orders, money orders, crossed bankers' drafts, current postage stamps, savings stamps and certificates, trading stamps, gift tokens, customer redemption vouchers, company sales vouchers, credit card counterfoils, travellers tickets and contents of franking machines, all belonging to **you**.

24. **"Outstanding debts"**

means any of **your** outstanding debts, exclusive of Goods and Services Tax (GST), which **you** are unable to recover as a direct result of **insured damage** to **your** accounting records.

25. **"Period of the policy"**

means:

- a) the period between the Inception Date shown in the Schedule and the Expiry Date shown in the Schedule, or
- b) the period between the Inception Date shown in the Schedule and the date on which the Policy is cancelled in accordance with the "Cancellation" **CONDITION**.

26. **"Permanent total disablement"**

means disablement which entirely prevents the injured person from attending to any business or occupation for which he is reasonably suited by training, education or experience and which lasts for 24 calendar months and at the expiry of that period being beyond hope of improvement.

27. **"Personal injury"**

means:

- a) false arrest, detention or imprisonment; or
- b) malicious prosecution; or
- c) wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies.

28. **"Placed personnel"**

means any person placed by **you** on a temporary or permanent basis with a **client**.

29. **"Premises"**

means a building (including any outbuildings) occupied in connection with **your business activities**.

30. **"Privacy breach costs"**

means any sums reasonably required to:

- a) fulfil any obligation **you** have to notify **third parties** of an actual or suspected breach of privacy in relation to any personal information; or
- b) establish a credit monitoring service or identity theft helpline; or
- c) conduct an independent security audit of **your computer systems** to identify the source of the privacy breach.

31. **"Privacy obligations"**

means **your** legal obligations arising directly from:

- a) any privacy statement governing the handling of information on

- your computer systems;** or
- b) any written contract between **you** and a **third party** governing the processing and storage of credit card information on **your computer systems;** or
 - c) any implied contractual duty to use reasonable care and skill in the handling of personal data or credit card information (including breaches of the Payment Card Industry Data Security Standard); or
 - d) any legal obligation to notify individuals of an actual or potential breach of their private or confidential data; or
 - e) statutory data protection regulations in the country or countries where **you** operate, including industry specific data protection and security regulations (e.g. the Healthcare Insurance Portability and Accountability Act 1996) as they currently exist and as amended.
32. **“Pollution”**
means pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.
33. **“Product”**
means any tangible property (including containers, packaging, labelling or instructions, but explicitly excluding any software, data, or source code) after it has left **your** custody or control which has been manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered, processed, cleaned, renovated or repaired by **you** or on **your** behalf in the course of **your business activities**.
34. **“Rectification costs”**
means those costs that **you** incur as a result of the use of external consultants, contractors or advisers or any additional costs that **you** incur to pay **your employees**. For the avoidance of doubt, **rectification costs** does not include the basic salaries of **your employees** or **your** office expenses or any payments that **you** have paid or agreed to pay as part of any service or maintenance contract.
35. **“Senior executive officer”**
means board members, executive officers, in-house lawyers, risk managers, chief operating officers, chief technology officers, chief information officers, and chief privacy officers of the company named as the Insured in the Schedule, or any **subsidiary**.
Senior executive officer does not include **placed personnel**.
36. **“Subsidiary”**
means any company which the company named as the Insured in the Schedule controls through:
 - a) holding 50% or more of the voting rights; or
 - b) having the right to appoint or remove 50% or more of its board of directors; or
 - c) controlling alone, pursuant to a written agreement with other shareholders or members, 50% or more of the voting rights therein.
37. **“Temporary total disablement”**
means disablement which entirely prevents the injured person from attending to his business or occupation.
38. **“Third party”**
means any person or company who is not a **senior executive officer** or **employee** of the company named as the Insured in the Schedule or any **subsidiary** and not **placed personnel**.
39. **“Virus”**
means any malicious software code including but not limited to any logic bomb, trojan horse or worm that has been introduced by any **third parties** or by any **employees** and that is designed to **damage**, destroy, corrupt, overload, circumvent or impair the functionality of **computer systems**.
40. **“We/our/us”**
means the Underwriters named in the Schedule.
41. **“Withheld fees”**
means any contractually due fee that **your client** refuses to pay **you**, but excludes any part of the fee that represents **your** profit or markup or liability for taxes.
42. **“Workmanship”**
means any physical workmanship in manufacture, fabrication, construction, erection, installation, assembly, alteration, servicing, remediation, repair, demolition or disassembly (including any materials, parts or equipment furnished in connection therewith) by **you**.
43. **“Wrongful act”**
means any act or event the subject of **INSURING CLAUSES 1** and **2** of this Policy for which **you** have purchased coverage.
44. **“You/your”**
means:
 - a) the company named as the Insured in the Schedule, or any **subsidiary**; and
 - b) any past, present or future **senior executive officer** or **employee** of the company named as the Insured in the Schedule or any **subsidiary**, but does not include **placed personnel**; and
 - c) any past, present or future officers, committees and members of **your** canteen, social, sports, medical, fire fighting, security services and welfare organisations for legal liabilities incurred in their respective capacity as such.

EXCLUSIONS

We will not:

- a) make any payment on **your** behalf for any **claim**; or
- b) incur any **costs and expenses**; or
- c) reimburse **you** for any **loss, damage**, legal expenses, fees or costs sustained by **you**:

EXCLUSIONS RELATING TO OTHER INSURANCES:

1. **Bodily injury to or damage suffered by employees**
arising directly or indirectly out of **bodily injury** to or **damage** suffered by **your senior executive officers** or **employees**.
2. **Marine and aviation**
arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any aircraft, hovercraft, offshore installation, rig, platform or watercraft.
3. **Motor**
arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any motor vehicle or trailer other than **bodily injury** or **damage**:

- a) caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer; or
- b) occurring beyond the limits of any carriageway or thoroughfare and caused by the loading or unloading of any motor vehicle or trailer; or
- c) arising out of the use of any motor vehicle or trailer temporarily in **your** custody or control for the purpose of parking;

provided always that **we** will not make any payment on **your** behalf or incur any **costs and expenses** in respect of any legal liability for which compulsory insurance or security is required by legislation or for which a government or other authority has accepted responsibility.

4. **Personal injury**
in respect of **INSURING CLAUSES 1** and **2 (SECTIONS A to C only)**, arising directly or indirectly out of **personal injury**.
5. **Project-specific insurance**
arising out of any projects for which **you** have purchased project specific insurance.

6. **Product guarantee**
for costs incurred in the repair, alteration, reinstatement, inspection, reconditioning or replacement of any **product** or part thereof and any financial loss consequent upon the necessity for such repair, alteration, reinstatement, inspection, reconditioning or replacement, other than in respect of **INSURING CLAUSE I** when **you** are legally obliged to pay these sums to a **client**.
7. **Product recall**
arising directly or indirectly from the recall of any **product** or part thereof except for **claims** made under **INSURING CLAUSE I** where **you** are legally liable for these costs to a **third party** as the direct result of a **wrongful act** committed or alleged to have been committed by **you**.
8. **Products liability**
in respect of **INSURING CLAUSES I** and **2 (SECTIONS A to C only)**, arising directly or indirectly out of **bodily injury** or **damage** caused by a **product**.
9. **Workmanship**
in respect of **INSURING CLAUSES I** and **2 (SECTIONS A to C only)**, arising directly or indirectly out of **bodily injury** or **damage** caused by **workmanship**.
10. **Employment practices**
arising out of or resulting from any actual or alleged:
i) refusal to employ any person; or
ii) wrongful or unfair dismissal; or
iii) form of discrimination; or
iv) harassment or unfair treatment; or
v) other misconduct;
with respect to any **employee**, **third party** or **placed personnel**.
11. **Employers' liability**
arising directly or indirectly out of **bodily injury** to your **senior executive officers** or **employees**.
12. **Directors and officers liability**
arising out of any personal liability incurred by **your senior executive officers** when they are acting in that capacity or managing **you**, or arising from any statement, representation or information regarding **your** business contained within any accounts, reports or financial statements.

EXCLUSIONS RELATING TO THE CONDUCT OF YOUR BUSINESS:

13. **Chargebacks**
arising directly or indirectly from any chargeback, liability or fee incurred by **you** as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction, unless specifically covered under **INSURING CLAUSE 2 (SECTIONS B and C only)** for which **you** have purchased coverage.
14. **Circumstances known at inception**
arising out of any circumstances or occurrences which could give rise to a **claim**, **loss** or **damage** under this Policy of which a **senior executive officer** was aware, or ought reasonably to have been aware, prior to the Inception Date of this Policy, whether notified under any other insurance or not.
15. **Faulty workmanship**
arising from **damage** to **your** property or **premises** caused directly or indirectly by misuse, inadequate or inappropriate maintenance, faulty **workmanship**, defective design, the use of faulty materials or whilst being cleaned, worked on or maintained.
16. **Hazardous devices**
arising directly or indirectly from any **product** which with **your** knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, military vehicle, hovercraft, waterborne craft or any medical equipment.
17. **Inadequate server capacity**
in respect of **INSURING CLAUSE 2 (SECTION E only)**, for any business interruption **loss** incurred as a result of **your** servers not having the sufficient capacity to process all of the requests placed upon them solely because the demand for **your** websites is larger than the servers are designed to process, unless the reason for such levels of demand is due to an attack on **your** service levels by any malicious denial of service attack.
18. **Internet infrastructure failure**
in respect of **INSURING CLAUSE 2 (SECTIONS D and E only)**, arising directly or indirectly from the failure of external networks, cables, and core internet infrastructure servers.
19. **Legal Action**
where action for damages is brought in a court of law outside the territories specified in the Schedule, or where action is brought in a court of law within those territories to enforce a judgment outside of those territories whether by way of reciprocal agreement or otherwise.
20. **Limiting recovery rights**
in respect of **INSURING CLAUSE I** only, arising directly or indirectly out of **your** failure to take reasonable steps to ensure that **our** rights of recovery against any **third party** are not unduly restricted or financially limited by a specific term in any contract or agreement.
21. **Liquidated damages, service credits and penalty clauses**
in respect of **INSURING CLAUSE I** only, for liquidated damages or service credits, or arising out of penalty clauses.
22. **Machinery or computer breakdown**
in respect of **INSURING CLAUSE 3 (SECTION A only)**, arising directly or indirectly from:
a) **damage** to **your** electrical or mechanical plant; or
b) loss or distortion of **your** data or **your computer systems**, television or video equipment, photographic, photocopying, surveying or telecommunications equipment;
resulting from its own breakdown, explosion or collapse.
However, **we** will reimburse **you** under **INSURING CLAUSE 3 (SECTION A only)**, up to the **amount insured** for **loss** occurring during the **period of the policy** following breakdown of **your computer systems**, but only if **your computer systems** are subject to a manufacturer's guarantee or a maintenance contract providing free parts and labour in the event of a breakdown, and only where the **loss** is not covered under **INSURING CLAUSE 2 (SECTION D)**, regardless of whether **you** have purchased **INSURING CLAUSE 2 (SECTION D)** and regardless of any exhaustion of the **amount insured** of **INSURING CLAUSE 2, (SECTION D)**.
23. **Patents**
arising out of the actual or alleged infringement of any patent or inducing the infringement of any patent.
24. **PCI implementation**
in respect of **INSURING CLAUSE 2** only, as a result of fines or penalties from **your** acquiring bank arising directly from **your** failure to implement security measures in accordance with the PCI Data Security Standard implementation timetable, where a data breach has not occurred.
25. **Programming errors**
in respect of **INSURING CLAUSE 2 (SECTIONS D and E only)**, arising directly or indirectly from any computer programming error, software bug, software implementation or upgrade error.
26. **Retroactive Date**
in respect of **INSURING CLAUSES I** and **2 (SECTIONS A and B only)**, arising out of any event or actual or alleged occurring, in whole or in part, before the date specified as the Retroactive Date in the Schedule.
27. **Unjust enrichment**
for that part of any **claim** that results in **you** being in a better financial position as a direct result of **your wrongful act** than **you** would have been if **you** had not committed the **wrongful act**.

28. **Valuable commodities**
in respect of **INSURING CLAUSE 1 (SECTION C, only)** arising from loss of cash, bank currency, promissory notes, securities for money, deeds, bonds, bills of exchange, stamps, medals, coins, jewellery, furs, gold, silver, precious metals, gems, precious stones or articles composed of any of these.
29. **Wilful or dishonest acts of senior executive officers**
in respect of **INSURING CLAUSES 1 and 6** only, arising out of any wilful, malicious, reckless or dishonest act or omission by any **senior executive officer** of the company named as the Insured in the Schedule or any **subsidiary**, unless such person had already ceased to be a **senior executive officer** of the company named as the Insured in the Schedule and all subsidiaries at the time of their first wilful, malicious, reckless or dishonest act or omission, or unless specifically covered under **INSURING CLAUSE 1 SECTION A (e)**. We will not provide any cover for any **senior executive officer** who commits, condones or ignores any dishonesty.

GENERAL INSURANCE EXCLUSIONS:

30. **Antitrust**
for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising other than:
- where specifically covered under **INSURING CLAUSES 1 and 2** for which **you** have purchased coverage; or
 - any covered portion of any **claim** based on **your** alleged unauthorised use of a **third party's** trademark.
31. **Asbestos**
arising directly or indirectly or resulting from or contributed to by the manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, materials or products containing asbestos, or asbestos fibres or dust.
32. **Associated companies**
- in respect of any **claim** made by any company, firm or partnership in which the company named as the Insured in the Schedule has greater than a 10% executive or financial interest, unless such **claim** emanates from an independent **third party**; or
 - in respect of any **claim** made by any company, firm, partnership or individual which has greater than a 10% executive or financial interest in the company named as the Insured in the Schedule or any **subsidiary**, unless such **claim** emanates from an independent **third party**; or
 - arising out of or resulting from any of **your** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organisation, corporation, company or business other than that of the company named as the Insured in the Schedule or any **subsidiary**; or
 - in respect of any **claim** made by or on behalf of the company named as the Insured in the Schedule or any **subsidiary**.
33. **Electromagnetic fields**
arising directly or indirectly out of, resulting from or contributed to by electromagnetic fields, electromagnetic radiation, electromagnetism, radio waves or noise.
34. **Fines**
for fines, penalties, civil or criminal sanctions and multiple damages, unless specifically covered under **INSURING CLAUSE 2, SECTION B, part (c)** for which **you** have purchased coverage.
35. **Flood**
in respect of **INSURING CLAUSE 3** only, caused by flood, including waves, tides, tidal waves, or the rising of, the breaking out, or the overflow, of any body of water whether natural or manmade, but this **EXCLUSION** does not apply to:
- ensuing **loss** or **damage** which results directly from fire, explosion, smoke or leakage from fire protective equipment; or
 - ensuing **damage** to **contents** while in transit.
36. **Insolvency**
arising out of or relating directly or indirectly from **your** insolvency or bankruptcy, or the insolvency or bankruptcy of any **third party**. Furthermore, no coverage is provided under **INSURING CLAUSE 2, SECTION E** or **INSURING CLAUSE 3 SECTION C**, if **you** become insolvent or bankrupt.
37. **Land or water**
arising directly or indirectly from **damage** to land or water within or below the boundaries of any land or premises presently or at any time previously owned or leased by **you** or otherwise in **your** care, custody or control.
38. **Miscellaneous property exclusions**
in respect of **INSURING CLAUSE 3** only, arising directly or indirectly from:
- wear and tear, inherent defect, rot, vermin or infestation, or any gradually operating cause;
 - dryness or humidity, being exposed to light or extreme temperatures, unless the **damage** is caused by storm or fire;
 - coastal or river erosion;
 - a rise in the water table;
 - theft from an unattended vehicle unless the stolen item is out of sight;
 - frost, other than **damage** due to water leaking from burst pipes forming part of the permanent internal plumbing provided the **premises** are occupied and in use;
 - arising directly or indirectly from unexplained loss or disappearance or inventory shortage of **your** property;
 - a **hacking attack** or **virus**.
39. **Nuclear**
arising directly or indirectly from or contributed to by:
- ionising radiations 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 thereof.
40. **Pollution**
arising directly or indirectly out of **pollution**.
- However, this **EXCLUSION** shall not apply in respect of:
- INSURING CLAUSE 1 SECTION F**; and
 - pollution** which itself results from **damage** covered under **INSURING CLAUSE 3**; and
 - damage** which would otherwise be covered under **INSURING CLAUSE 3**, which itself was caused by **pollution**.
41. **Toxic mould / fungus**
other than in respect of **INSURING CLAUSE 3**, arising directly or indirectly from any loss, **bodily injury, damage, costs and expenses**, including, but not limited to, losses, **damage, costs and expenses** related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:
- any **fungus, mould, mildew** or yeast, or
 - any **spore** or toxins created or produced by or emanating from such **fungus, mould, mildew** or yeast, or
 - any substance, vapour, gas, or other emission or organic or inorganic body or substance produced by or arising out of any **fungus, mould, mildew** or yeast, or
 - any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbours, nurtures, or acts as a medium for any **fungus, mould, mildew** yeast, or **spore** or toxins emanating therefrom,
- regardless of any other cause, event, material, product or building component that contributed concurrently or in any sequence to that loss, **bodily injury, damage, cost and expense**.
- However, this **EXCLUSION** shall not apply in respect of

INSURING CLAUSE 1 where the loss, **bodily injury, damage, costs and expenses** arose directly from a **wrongful act** committed by **you** in the course of **your business activities**.

For the purposes of this **EXCLUSION** the following definitions are added to the Policy:

Fungus includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including **moulds, rusts, mildews, smuts and mushrooms**.

Mould includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and **fungi** that produced moulds.

Spore means any dormant or reproductive body produced by or arising from or emanating out of any **fungus, mould, mildew, plants, organisms or microorganisms**.

42. **Trade debt**
arising out of or in connection with any trading losses or trading liabilities incurred by any business managed or carried on by **you**, or any loss of **your** profit arising from the loss of any **client, account** or business.
43. **War and terrorism**
directly or indirectly caused by, resulting from or in connection with

any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the **claim, loss or damage**;

- a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b) any **act of terrorism**.

For the purpose of this **EXCLUSION** an **act of terrorism** means an act, including but not limited to the use of force or violence or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.

This **EXCLUSION** also excludes **claims, losses, damage, costs and expenses** of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to a) or b) above.

This **EXCLUSION** does not apply to any **claim** or **loss** arising directly from a **hacking attack** or **virus**.

CONDITIONS

1. What you must do in the event of a claim or loss

Should a **senior executive officer** become aware of any **claim, loss or damage** the following obligations must be complied with by **you**:

- a) **You** must not admit liability for or settle or make or promise any payment in respect of any **claim, loss or damage** which may be covered under this Policy. Neither must **you** incur any **costs and expenses** in connection with such a **claim, loss or damage** without **our** written agreement.

However, **you** should arrange for any urgent repairs following **damage** covered under **INSURING CLAUSE 3 (SECTION A only)**, to be done immediately. Before any other repair work begins **we** have the right to inspect **your damaged** property. **We** will notify **you** if **we** intend to do this.

- b) The Claims Managers, as specified in the Schedule, must be notified as soon as is reasonably possible if during the **period of the policy**.
 - i) **you** suffer any **loss or damage** that could be covered by this Policy or a **senior executive officer** becomes aware that a **claim** has been made against **you**, whether verbal or made in writing; or
 - ii) a **senior executive officer** discovers reasonable cause for suspicion of fraud or dishonesty whether this could give rise to a **claim** under this Policy or not and **we** shall not be liable under this Policy for any **claim** or **loss** sustained in consequence of any fraudulent or dishonest act or omission committed after the date of such discovery.

We have nominated Claims Managers to accept notice on **our** behalf. Due to the nature of the coverage offered by this Policy, any unreasonable delay by **you** in notifying the Claims Managers of (i) or (ii) above could lead to the size of the **claim, loss or damage** increasing or to **our** rights being restricted. **We** shall not be liable for that portion of any **claim** that is due to any unreasonable delay in **you** notifying the Claims Managers of any **claim, loss or damage** in accordance with this clause.

- c) **We** will expect **you** to provide **us** with full and accurate information about any matter that **you** notify to **us** under **your** obligations set out above. Once notice has been made **you** must give the Claims Managers all the assistance and information that is reasonably required. **You** must follow their advice and do anything that they reasonably require **you** to do to avoid,

minimise, settle or defend any **claim, loss or damage**.

If **you** think a crime has been committed **you** must report it to the appropriate law enforcement authorities. You must also permit the Claims Managers and any **third parties** that are appointed by the Claims Managers to notify the appropriate law enforcement authorities of any **claim, loss or damage** where this action is deemed necessary, and **you** must comply with the advice given by those authorities.

If any of **your computer systems** are lost or stolen while they are temporarily removed from **your premises, we** will not make any payment unless **you** report the loss to the police within 48 hours after **you** become aware of it.

2. What you must do in the event of a circumstance which may give rise to a claim

Should a **senior executive officer** become aware of:

- a) a situation that could give rise to a **claim**; or
- b) an allegation or complaint made or intimated against **you**:

then **you** have the option of whether to report this circumstance to **us** or not. However, if **you** choose not to report this circumstance **we** shall not be liable for that portion of any **claim** that is greater than it would have been had **you** reported this circumstance.

If **you** choose to report this circumstance, **you** must do so within the **period of the policy**, or the period of any applicable Extended Reporting Period, for it to be considered under this Policy and **we** will require **you** to provide full details of the circumstance, including but not limited to:

- a) the time, place and nature of the circumstance; and
- b) the manner in which **you** first became aware of this circumstance; and
- c) the reasons why **you** believe that this circumstance is likely to result in a **claim**; and
- d) the identity of the potential claimant; and
- e) an indication as to the size of the **claim** that could result from this circumstance.

Based on these details **we** will decide whether to accept this circumstance as one which could reasonably be expected to give rise to a **claim**. If **we** accept this circumstance, **we** will regard any subsequent **claim** that may arise as notified under this Policy.

3. Continuous cover

If **you** have neglected, through error or oversight only, to report a **claim** made against **you** during the period of a previous renewal of this Policy issued to **you** by **us**, then provided that **you** have maintained uninterrupted insurance of the same type with **us** since the expiry of that earlier Policy, then, notwithstanding the "Circumstances known at inception" **EXCLUSION**, **we** will permit the matter to be reported under this Policy and will indemnify **you**, provided that:

- a) the indemnity will be subject to the applicable **aggregate limit of liability** or **limit of liability** of the earlier Policy under which the matter should have been reported or the **aggregate limit of liability** or **limit of liability** of the current Policy, whichever is the lower;
- b) **we** may reduce the indemnity entitlement by the monetary equivalent of any prejudice which has been suffered as a result of the delayed notification.
- c) the indemnity will be subject in addition, to all of the terms, **CONDITIONS**, **DEFINITIONS** and **EXCLUSIONS**, other than the **aggregate limit of liability** or **limit of liability**, contained in this current Policy.

4. Fraudulent claims

If **you** notify **us** of any claim knowing that claim to be false or fraudulent in any way, **we** shall have no responsibility to pay that claim to the extent that it was fraudulent.

5. Agreement to pay claims

We have the right (but not the obligation) to take control of and conduct in **your** name the investigation settlement or defence of any **claim**. **We** shall also pay on **your** behalf **costs and expenses** incurred with **our** prior written consent (subject to the Limits of Liability shown in the Schedule) provided that **we** shall not pay for the **costs and expenses** of any part of a **claim** that is not covered by this Policy.

We shall always endeavour to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and shall pay on **your** behalf the amount so agreed by **us** and the claimant. If **we** cannot settle by such means, **we** shall pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject always to the Limit of Liability shown in the Schedule.

If **you** refuse to consent to a settlement that **we** recommend and that the claimant will accept, then **you** must then defend, investigate or settle the **claim** at **your** own expense. As a consequence of **your** refusal, **our** liability for any **claim** shall not be more than the amount that **we** could have settled the **claim** had **you** consented, plus any **costs and expenses** incurred prior to the date of such refusal.

6. Innocent non-disclosure

We will not seek to avoid the Policy or reject any **claim** on the grounds of:

- a) a failure to comply with the duty of disclosure in the terms of the Insurance Contracts Act 1984; or
- b) misrepresentation; or
- c) a failure to comply with any terms or **CONDITIONS** of this Policy:

except where the non-disclosure, misrepresentation or non-compliance was reckless or fraudulent or **you** failed to conduct a full enquiry prior to providing the information that forms the basis of this insurance. In the event that **we** seek to avoid the Policy or reject any **claim** on this basis the burden of proving otherwise rests solely with **you**.

However, where more than one company is named as the Insured in the Schedule **we** agree that in the event that **we** seek to reject any **claim** on the basis of this **CONDITION** because of the actions or inactions of one of the companies named as the Insured in the Schedule it shall not prejudice the right of any other company named as the Insured in the Schedule to indemnify under this Policy; provided always that such other Insured shall:

- a) be entirely innocent of and have had no prior knowledge of such non-disclosure, misrepresentation or non-compliance; and
- b) advise **us** in writing as soon as reasonably practicable upon

becoming aware of such non-disclosure, misrepresentation or non-compliance.

7. Your duty to advise us of changes

If a **senior executive officer** becomes aware that any of the information that **you** have given **us** in the Application Form or elsewhere in connection with **your** application for this insurance has materially changed then **you** must advise **us** as soon as practicable. In this event, **we** reserve the right to amend the terms, conditions or premium of the Policy.

8. Risk management conditions

If **we** attach any additional conditions to **your** Policy regarding any risk survey or risk management timetable or any other similar conditions then it is **your** responsibility to ensure that these conditions are complied with by the deadlines shown in the conditions.

9. Our rights of recovery

If any payment is made under this Policy in respect of a **claim**, **loss** or **damage** and there is available to **us** any of **your** rights of recovery against any other party then **we** maintain all such rights of recovery. **We** shall not exercise these rights against any **senior executive officer** or **employee** unless such payment is in respect of any wilful, malicious or dishonest acts or omissions.

You must do nothing to impair any rights of recovery. At **our** request **you** will bring proceedings or transfer those rights to **us** and help **us** to enforce them. Any recoveries shall be applied as follows:

- a) first, to **us** up to the amount of **our** payment on **your** behalf including **costs and expenses**; and
- b) then to **you** as recovery of **your** Deductible or other amounts paid as compensation or **costs and expenses**.

10. Waiver of subrogation

Notwithstanding the "Our rights of recovery" **CONDITION**, **we** agree to waive **our** rights of subrogation against a responsible **third party client** of yours but only if **you** and **your client** have entered into a contract that contains a provision requiring **us** to do this.

11. Cancellation

This Policy may be cancelled

- a) by **you**, if **you** give **us** 30 days written notice; or
- b) by **us**, in accordance with the relevant provisions of the Insurance Contracts Act 1984.

If **you** give **us** notice of cancellation in accordance with a) above, the earned Premium shall be pro rata to the number of days that the Policy is in effect the Premium; provided that the Premium shall be deemed fully earned if any **claim**, **loss** or **damage** has been notified under this Policy.

If **we** give **you** notice of cancellation in accordance with b) above, the Premium shall be computed at pro rata to the number of days that the Policy is in effect.

The Policy Administration Fee shall be deemed fully earned upon inception of the Policy.

12. Additional insureds

We shall indemnify any **third party** as an additional Insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a **claim** arising solely out of a **wrongful act** committed by **you** or arising solely out of accidental **bodily injury** or **damage** caused by **you**, provided that:

- a) **you** contracted in writing to indemnify the **third party** for such a **claim** prior to it first being made against them; and
- b) had the **claim** been made against **you**, then **you** would be entitled to indemnify under this Policy.

As a condition to **our** indemnification of any additional Insured:

- i) they shall prove to **our** satisfaction that the **claim** arose solely out of a **wrongful act** committed by **you** or arose solely out of accidental **bodily injury** or **damage** caused by **you**; and
- ii) they shall fully comply with **CONDITION I(a)** above as if they were **you**.

Where a **third party** is indemnified as an additional Insured as a result of this **CONDITION**, it is understood and agreed that any **claim** made by that **third party** against **you** shall be treated by **us** as if they were a **third party**, not an additional Insured.

13. Prior Subsidiaries

In respect of **INSURING CLAUSES 1** and **2** only, should an entity cease to be a **subsidiary** after the Inception Date of this Policy, cover in respect of such entity shall continue as if it was still a **subsidiary**, until the termination of this Policy, but only in respect of any **claim** or **loss** that arises out of any **wrongful act** committed by that entity prior to the date that it ceased to be a **subsidiary**.

14. Mergers and acquisitions

During the **period of the policy**, if the company named as the Insured in the Schedule or any **subsidiary**:

- a) purchases assets or acquires liabilities from another entity in an amount greater than 10% of the assets of the company named as the Insured in the Schedule as listed in its most recent financial statement; or
- b) acquires another entity whose annual revenues are more than 10% of the annual revenues of the company named as the Insured in the Schedule for their last completed financial year;

then **you** shall have no coverage under this Policy for any **claim**, **loss** or **damage** that arises directly or indirectly out of the purchased or acquired entity unless the company named as the Insured in the Schedule gives **us** written notice prior to the purchase or acquisition, obtains **our** written consent to extend coverage to such additional entities, assets or exposures, and agrees to pay any additional premium required by **us**.

If during the **period of the policy** the company named as the Insured in the Schedule consolidates or merges with or is acquired by another entity, then all coverage under this Policy shall terminate at the date of the consolidation, merger or acquisition unless **we** have issued an endorsement extending coverage under this Policy, and the company named as the Insured in the Schedule has agreed to any additional premium and terms of coverage required by **us**.

15. Extended reporting period

In respect of **INSURING CLAUSES 1** and **2** (**SECTIONS A** and **B** only), an Extended Reporting Period of 60 days following the Expiry Date as shown in the Schedule shall be automatically granted hereunder at no additional premium. This Extended Reporting Period shall cover **claims** first made against **you** during the **period of the policy** and reported to **us** during this 60 day Extended Reporting Period but only in respect of any **wrongful act** committed prior to the Expiry Date shown in the Schedule, and subject to all other terms, conditions and exclusions of the policy. No **claim** shall be accepted by **us** in this 60 day Extended Reporting Period if **you** are entitled to indemnity under any other insurance, or would have been entitled to indemnity under such insurance but for the exhaustion thereof.

16. Optional extended reporting period

In respect of **INSURING CLAUSES 1** and **2** (**SECTIONS A** and **B** only), in the event of:

- a) cancellation or non-renewal of this Policy by **us**; or
- b) cancellation or non-renewal of this Policy by **you** because **you** have ceased to trade as the direct result of the retirement or death of all of **your senior executive officers**;

then **you** shall have the right, upon payment of the Optional Extended Reporting Period Premium shown in the Schedule in full and not proportionally or otherwise in part, to have issued an endorsement providing a 365 day Optional Extended Reporting Period which shall be effective from the cancellation or non-renewal date. This Optional Extended Reporting Period shall cover **claims** first made against **you** and notified to **us** during this Optional Extended Reporting Period but only in respect of any **claim** arising out of any **wrongful act** committed prior to the date of cancellation or non-renewal, and subject to all other terms, **CONDITIONS** and **EXCLUSIONS** of the policy.

In order for **you** to invoke the Optional Extended Reporting Period option, the payment of the Optional Extended Reporting Period Premium shown in the Schedule for this Optional Extended Reporting Period must be paid to **us** within 15 days of the date of the non-renewal or cancellation.

At the commencement of this Optional Extended Reporting Period the entire premium shall be deemed earned and in the event that **you** terminate the Optional Extended Reporting Period for any reason prior to its natural expiration, **we** will not be liable to return any premium paid.

The right to the Extended Reporting Period or the Optional Extended Reporting Period shall not be available to **you** where:

- a) Cancellation or non-renewal by **us** is due to non-payment of premium; or
- b) Cancellation or non-renewal by **us** is due to **your** failure to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Deductible as is required by this Policy in the payment of **claims**.

At the renewal of this Policy, **our** quotation of different premium, Deductible or Limit of Liability or changes in policy language shall not constitute non-renewal by **us** for the purposes of granting this Optional Extended Reporting Period.

In no event shall the granting of the Extended Reporting Period or the Optional Extended Reporting Period increase **our** Limit of Liability, including **costs and expenses**, as shown in the Schedule.

17. Dispute resolution

This Policy does not comply with the Insurance Council of Australia's General Insurance Code of Practice. Any enquiry or complaint relating to this insurance should be referred to:

The Managing Director
CFC Underwriting Ltd
85 Gracechurch Street
London EC3V 0AA
United Kingdom
Telephone Number: +44 207 220 8500
Facsimile Number: +44 207 220 8501
Email: enquiries@cfcunderwriting.com

in the first instance. If this does not resolve the matter or **you** are not satisfied with the way a complaint has been dealt with, **you** should contact:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000
Telephone Number: (02) 9223 1433
Facsimile Number: (02) 9223 1466

If **your** dispute remains unresolved **you** may be referred to the Financial Ombudsman Service Limited under the terms of the General Insurance Code of Practice. For other disputes **you** will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

Notwithstanding the above, at **your** request **we** will submit to the jurisdiction of any competent Court in the Commonwealth of Australia and the dispute shall be determined in accordance with the law and practice applicable in such Court. Any summons, notice or process to be served upon **us** may be served upon Lloyd's General Representative in Australia, at the address above, who has authority to accept service and to enter an appearance on **our** behalf, and who is directed at **your** request to give a written undertaking to **you** that he will enter an appearance on **our** behalf.