

Management Liability Package

Crime Insurance (Any One Loss)

POLICY WORDING

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Crime Insurance

POLICY WORDING

Preamble - The Contract of Insurance

In consideration of the premium, the **Insurer** shall provide insurance in accordance with this policy during the **Period of Insurance** (or during any subsequent **Period of Insurance** agreed between the **Insurer** and the **Insured**), subject to the terms contained herein or endorsed hereon.

Section 1 - Insuring Clauses

1.1 Employee Fraud or Dishonesty

The **Insurer** shall pay the **Insured, Loss** resulting directly from any **Crime** committed by any **Employee**, first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

1.2 Third-Party Crime

The **Insurer** shall pay the **Insured, Loss** resulting directly from any **Third Party Crime** committed by any **Third Party** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

No cover is afforded under Insuring Clause 1.1 or 1.2 in respect of any **Loss** or **Claim** which falls to be covered under any of Additional Benefits 2.3, 2.4 or 2.6 - 2.11.

Section 2 - Additional Benefits

2.1 Care, Custody and Control

The **Insurer** shall pay the **Insured** for loss of **Money, Securities or Other Property** belonging to a **Third Party** where the **Insured** is legally liable for such loss, provided such **Money, Securities or Other Property** is in the care, custody or control of the **Insured** and such loss results directly from a **Crime** committed by an **Employee** which is first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1.

2.2 Claim Expense Cost

The **Insurer** shall pay the **Insured** any **Claim Expenses** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** during the

Period of Insurance or any applicable **Discovery Period**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.3 Commercial Disruption

The **Insurer** shall pay the **Insured** against any **Commercial Disruption Costs** incurred by the **Insured** as a direct result of **Commercial Disruption** following a **Crime** committed by an **Employee** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period** provided that:

- (a) the **Insurer** shall not be liable to indemnify the **Insured** against any **Commercial Disruption Costs** incurred during the first 48 hours following the **Discovery** of a **Crime**; and
- (b) the maximum period in respect of which the **Insurer** shall indemnify the **Insured** against **Commercial Disruption Costs** shall be the 90 day period immediately following the initial 48 hour period referred to in (a) above.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.4 Court Attendance Costs

The **Insurer** pay any reasonable costs, fees or expense incurred by an **Insured** as a direct result of a **Crime** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period** where a **Manager** or **Employee** is required to attend:

- (a) before a court, tribunal or arbitration as a witness of fact; or
- (b) attend a court proceeding, tribunal, or arbitration hearing as an observer, however, the **Insurer** is only liable to pay, under this

Additional Benefit 2.4(b), for the attendance of one such observer for all **Insured Organisations** together per day,

provided, the maximum amount available shall not exceed £350 per **Insured Person** per day.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.5 Damage to Money, Securities and Premises

The **Insurer** shall pay the **Insured** for any **Criminal Damage Costs**, including the associated costs of repairing damage to the **Premises**, incurred by the **Insured** as a direct result of **Criminal Damage** sustained on the **Premises** or while such **Money** or **Securities** are in the custody of an **Employee** (or any other person authorised by the **Insured** to have such custody) and first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

2.6 Data Damage Expenses

The **Insurer** shall pay the **Insured** any **Data Damage Expenses** incurred by the **Insured** as a direct result of **Data Damage** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.7 Funds Transfer Loss

The **Insurer** shall pay the **Insured** for direct financial loss first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period** resulting from a **Funds Transfer Fraud**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.8 Identity Fraud

The **Insurer** shall pay the **Insured** any **Identity Fraud Expenses** incurred by the **Insured** as a direct result of **Identity Fraud** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

The maximum amount the **Insurer** shall pay under

this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.9 Public Relations Expenses

The **Insurer** shall pay **Public Relations Consultancy Fees** to mitigate the adverse effect on that **Insured's** reputation from a **Crime** first **Discovered** during the **Period of Insurance** any applicable **Discovery Period**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.10 Social Engineering Fraud

The **Insurer** shall pay **Loss** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period** from the transferring, paying or delivering **Funds, Money** or **Securities**, directly caused by **Social Engineering Fraud** committed by a person purporting to be:

- (a) a **Vendor**;
- (b) a **Client**;
- (c) an **Employee**; or
- (d) a **Manager**.

provided that, prior to transferring, paying or delivering **Funds, Money** or **Securities**, the **Insured** performed a **Transfer Verification** with respect to each **Communication** involving any change requests to **Vendor, Client, Manager** or **Employee** account information or pre-determined setup. Such **Transfer Verification** must be recorded, logged, or otherwise documented by the **Insured**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

2.11 Telephone Fraud

The **Insurer** shall pay the **Insured** for loss first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period** resulting from unauthorised access and use of the **Insured's** telephone system by an **Employee**. Loss under this clause means only the telephone charges

payable by the **Insured** as a result of the unauthorised access and use.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the **Limit of Indemnity** under Insuring Clauses 1.1 and 1.2.

Section 3 – Exclusions

Exclusions in respect of all Insuring Clauses and all Additional Benefits

- 3.1 Corporate Fraud**
This policy does not cover **Loss** resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by any partner, **Manager** or any LLP member, whether acting alone or in collusion with others.
- 3.2 Credit, Debit or Charge Cards**
This policy does not cover **Loss** arising from any **Credit, Debit or Charge Card** if the **Insured**, any **Employee** or any **Manager** has not fully complied with the provisions, conditions or other terms under which such card was issued.
- 3.3 Custody**
This policy does not cover **Loss** of **Money, Securities or Other Property** while in the custody of any **Financial Institution**, trust insurer, or similarly recognised place of safe deposit or armoured motor vehicle insurer unless the **Loss** is in excess of the amount recovered or received by the **Insured** under the **Insured's** contract, if any, with, or insurance carried by, any of the aforementioned.
- 3.4 Damages**
This policy does not cover damages of any type, except the **Insured's** direct compensatory damages resulting from a loss covered under this policy.
- 3.5 Data Storage**
This policy does not cover **Loss** of, or damage to, manuscripts, records, accounts, microfilm, tapes or other records, whether written or electronic, or the cost of reproducing any information contained in such lost or damaged records, except when covered under Additional Benefit 2.6.
- 3.6 Diminution of Value**
This policy does not cover **Loss** resulting directly or indirectly from the diminution in value of **Money, Securities or Other Property**.
- 3.7 Employee Acts**
This policy does not cover **Loss** resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by any **Employee**, whether acting alone or in collusion with others, unless covered under Insuring Clause 1.1 and relevant Additional Benefits.
- 3.8 Fire**
This policy does not cover **Loss** resulting directly or indirectly from fire, except:
- (a) **Loss** of or damage to **Money** or **Securities**; or
 - (b) damage to any safe or vault caused by the application of fire thereto.
- 3.9 Governmental Seizure or Destruction**
This policy does not cover **Loss** resulting directly or indirectly from seizure or destruction of property by order of governmental authority.
- 3.10 Indirect or Consequential Loss**
This policy does not cover indirect or consequential loss of any nature, including fines, penalties, multiple or punitive damages.
- 3.11 Intellectual Property**
This policy does not cover **Loss** resulting directly or indirectly from the loss of, or use of confidential information of any kind including intellectual property rights, patents, trademarks, trade secrets or confidential manufacturing, processing or servicing methods, except to the extent that such confidential information is used in the commission of a **Crime** otherwise covered under this **Policy**.
- 3.12 Kidnap**
This policy does not cover **Loss** of **Money**, from kidnap, extortion or ransom payments (other than **Robbery**) surrendered to any person as a result of a threat to do:
- (a) bodily harm to any person; or
 - (b) damage to the **Premises** or **Other Property** owned by the **Insured** or held by the **Insured** in any capacity.
- 3.13 Loss caused by an Employee**
This policy does not cover **Loss** caused by an **Employee** which is committed after the **Insured** or any **Manager** of the **Insured** shall have knowledge of any theft, fraud or dishonesty committed by such **Employee**:
- (a) whilst employed by an **Insured**; or
 - (b) prior to employment with an **Insured**, provided that the sums involved in such theft, fraud or dishonesty exceed £10,000.

3.14 Loss Computation

This policy does not cover **Loss** which can be proved solely by:

- (a) a profit and loss computation or comparison; or
- (b) a comparison of inventory records with an actual physical count.

3.15 Loss of Income

This policy does not cover **Loss** of income, whether or not earned or accrued, or potential income, including interest and dividends, not realised by the **Insured** as the result of any loss covered under this **Policy**.

3.16 Nuclear

This policy does not cover **Loss** resulting directly or indirectly from nuclear reaction, nuclear radiation, radioactive contamination, biological or chemical contamination or any act or condition incident to any of the foregoing.

3.17 Shareholders

This policy does not cover **Loss** arising directly or indirectly from **Crime** committed by a shareholder, or their representative, holding more than 15% of the issued share capital of the **Insured**. However, if such **Loss** would be covered in the absence of this exclusion then, the **Insurer** shall pay that part of **Loss** which is in excess of the value of their shareholding on the day immediately preceding the date of **Discovery** of the **Crime**.

3.18 Trading or Lending

This policy does not cover **Loss** resulting from or amounting to any dealing or trading in securities, commodities, futures, options, foreign or federal funds, currencies, foreign exchange and the like unless such **Loss** is committed by an **Employee** (acting alone or in collusion with others) and results in an improper financial gain to such **Employee** or for any other individual or organisation intended by such **Employee** to receive such benefit (where improper financial gain shall not include any salaries, commissions, fees and bonuses, promotions, awards, profit sharing, pensions or other employee benefits paid by an **Insured** to such **Employee**).

3.19 Voluntary Surrender

This policy does not cover **Loss** resulting from:

- (a) the giving or surrendering of **Money**, **Securities** or **Other Property** in any exchange or purchase, whether genuine or fictitious; or
- (b) any other giving or surrendering of, or voluntary parting with, **Money**, **Securities** or **Other Property**,

whether or not induced by any dishonest or fraudulent act, except when covered under Insuring Agreement 1.2 or the Additional Benefit 2.11, Social Engineering Fraud.

3.20 War

This policy does not cover **Loss** resulting directly or indirectly from war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalisation; or any act or condition related to any of the foregoing.

Section 4 – Excess

4.1 The **Insurer** shall be liable under any Insuring Agreements 1.1 and 1.2 and under Additional Benefits of this policy only for that part of any **Single Loss** which exceeds the excess applicable to such **Single Loss**.

4.2 If more than one excess applies to the same **Single Loss**, then only the highest excess will be applied.

4.3 The **Limit of Indemnity** applies over and above any excess.

4.4 No retention shall apply to **Loss** sustained by an **Employee Pension Plan** or to or the fees or the costs and expenses covered under Additional Benefits 2.2, Court Attendance Costs or 2.5, Public Relations Expenses.

Section 5 - Claims Conditions

5.1 Notice/Proof of Loss

At the earliest practicable moment after **Discovery** of **Loss**, the **Insured** shall give the **Insurer** notice thereof.

Within 6 months after such **Discovery**, the **Insured** shall furnish to the **Insurer** a proof of **Loss**, duly sworn to, with full particulars. (Lost **Securities** listed in a proof of **Loss** shall be identified by certificate or bond numbers if such **Securities** were issued therewith).

Proof of **Loss** under Additional Benefit 2.11 Social Engineering Fraud must include an electronic recording or other documentation evidencing the **Transfer Verification**.

The **Insured** shall, in the time and in the manner prescribed in this policy, give the **Insurer** notice of any **Loss** of the kind covered by the terms of this policy even if the amount of the **Loss** does not exceed the excess and whether or not the **Insurer** is liable therefore, and upon the request of the **Insurer** shall file with it a brief statement giving the particulars concerning such **Loss**.

5.2 Basis of Valuation

In no event shall the **Insurer** be liable for more than:

- (a) the actual market value of **Securities, Money** or precious metals at the close of business on the day the **Loss** was first **Discovered** determined by the value published in the London Edition of the Financial Times, or the actual cost of replacing the **Securities, Money** or precious metals, whichever is less;
- (b) the actual cash value of **Other Property** (not referred to in (a) above) at the close of business on the day the **Loss** was first **Discovered**, or the actual cost of replacing the **Other Property** with that of like quality or value, whichever is less;
- (c) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of **Data** furnished by the **Insured** in order to reproduce books of account or other records; or
- (d) the cost of labour for the actual transcription or copying of electronic **Data** furnished by the **Insured** in order to reproduce such electronic **Data**.

5.3 Financial Interest Coverage

- (a) This policy shall not provide coverage for **Loss**:
 - (i) sustained by any **Insured** domiciled; or
 - (ii) to any property located,
 - in a foreign jurisdiction to the extent that providing such coverage would violate the laws or regulations of such foreign jurisdiction.
- (b) In the event of **Loss** described in (a)(i) above, for which this policy would otherwise have provided coverage, the **Insurer** shall reimburse the first named **Insured** stated in the Schedule that is domiciled in an authorised jurisdiction for its **Loss** on account of its **Financial Interest** in the insured entity domiciled in the foreign jurisdiction.
- (c) In the event of **Loss** described in (a)(ii) above, for which this policy would otherwise have provided coverage, the **Insurer** shall reimburse the first named **Insured** stated in the Schedule that is domiciled in an authorised jurisdiction for

its **Loss** on account of its **Financial Interest** in another **Insured** which has an insurable interest in the property.

Section 6 - General Conditions

6.1 Applicable Law

This policy and any dispute, claim, or difference concerning the policy (including its validity and application) is governed exclusively by and construed in accordance with the laws of England and Wales, whose courts shall have exclusive jurisdiction save where there is a reference to arbitration as provided for in General Condition 6.3, Arbitration.

6.2 Arbitration

Any dispute, claim, or difference between the **Insurer** and the **Insured** as to the correct interpretation of this policy shall be referred by either party to a single arbitrator in accordance with the Arbitration Act 1996, to be chosen by agreement or, in default, to be appointed by the President of the Chartered Institute of Arbitrators, whose decision shall be binding on both parties.

6.3 Assignment

This policy may not be assigned or transferred, and any attempted assignment or transfer is void and without effect unless the **Insurer** has provided its prior written consent to such assignment or transfer.

6.4 Cancellation

This policy may not be cancelled by any party, except by the **Insurer** for failure to pay the premium, in which case 30 days written notice shall be given to the **Insured** or the representative responsible for placing this coverage with the **Insurer**. Unless payment in full is received before the expiration of the 30 days written notice period, cancellation shall be effective from the inception date. This policy shall terminate at the expiry of the **Period of Insurance** as stated in the Schedule.

6.5 Changes and Authority

The **Insureds** agree that the first named **Insured Organisation** stated in the Schedule is their agent for all purposes in connection with this policy. This policy may be varied or rescinded by the agreement between the **Insurer** and the first named **Insured Organisation** stated in the Schedule, without the consent of any other **Insured**.

6.6 Continuing Duty

The **Insured** is under a continuing duty throughout the **Period of Insurance** to disclose as soon as practicable all material changes in information supplied to the **Insurer** as part of the **Proposal** and to use reasonable endeavours to maintain and keep

safe all business records (including after liquidation or any **Change of Control**).

6.7 **Contracts (Rights of Third Parties) Act 1999**

Any natural person or entity who was not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy; provided, this General Condition does not affect any right or remedy of a third party which exists or is available apart from such Act.

6.8 **Currency**

All amounts under this policy are expressed and payable in the currency in which the premium has been paid. If judgment is rendered, settlement is denominated, or any other element of **Loss** under this policy is stated in any other currency, payment shall be made at the spot exchange rate published by the Bank of England on the date the payment of **Loss** is due.

6.9 **Extended Discovery Period**

In the event that this policy is not renewed or in the event of **Change in Control** then the **Insured** shall have the right to elect an extended **Discovery Period** within 60 days after the **Expiry Date** upon payment of 100% of the annual premium stated in the schedule, in respect of any **Loss Discovered** by any **Insured** during the 12 months after the **Expiry Date**, but only in respect of a **Crime** committed prior to the **Expiry Date**.

These rights shall terminate however unless the **Insured** provides written notice of such election and the written notice is received by the **Insurer** during the 60 days after the **Expiry Date** and any required premium is paid within 30 days of the date of the written notice. The **Limit of Indemnity** for the extended **Discovery Period** shall be part of and not in addition to the **Limit of Indemnity** as stated in the Schedule.

The **Insurer's** offer of renewal terms, conditions, limits of indemnity or premium different from those of the expiring policy shall not constitute a refusal to renew.

At the expiry of the extended **Discovery Period** no further **Discovery Period** shall be available under this policy. Any extended **Discovery Period** which is available or elected under this policy shall not apply to any other policy unless specifically confirmed in writing by the **Insurer**.

This clause is only operative if no other similar insurance is effected elsewhere.

6.10 **Innocent Misrepresentation and Non-Disclosure**

With respect to any misrepresentation or non-disclosure by any **Insured**, the **Insurer** waives its right to avoid or rescind this policy in whole or in part; provided:

- (a) such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive;
- (b) the **Insurer** shall be entitled to amend the terms, conditions, and premium for this policy upon review of any information previously misrepresented or not disclosed to the **Insurer**; and
- (c) the **Insurer** is entitled to determine the effective date of any amendments in consequence of the exercising of their rights under this General Condition.

6.11 **Joint Insureds**

Where the **Insurer** is liable to indemnify more than one **Insured** in respect of any **Claim**, the total amount of indemnity payable under this policy shall not exceed the **Limit of Indemnity**.

Furthermore, in accordance with Section 4. Excess, the excess shall apply to all **Insureds** jointly.

6.12 **No Warranties or Conditions Precedent**

No term in this policy including where expressed as a warranty or condition precedent shall be deemed a warranty or condition precedent such as to automatically discharge the **Insurer** from any liability upon its breach. The **Insurer** shall enforce any term that would otherwise be deemed a warranty or condition precedent as a policy condition only.

6.13 **Liquidation and Change of Control**

If during the **Period of Insurance**:

- (a) the **Insured** is placed into liquidation or administration; or
- (b) a **Change of Control** occurs,

cover shall continue in full force and effect with respect to **Crime** committed before such event, but cover shall cease with respect to **Crime** committed after such event. No cover shall be available hereunder for **Loss**, including **Legal Costs**, for any **Loss** arising from, based upon, attributable to or, as a consequence of any **Crime** committed after such event.

For the purposes of this General Condition, voluntary liquidation or administration shall be treated as having occurred on the date upon which that entity passes a resolution for voluntary liquidation or administration. Compulsory liquidation or administration shall be treated as having occurred on the date upon a petition for the compulsory liquidation or administration of that entity is presented to the relevant authorities.

6.14 Other Insurance and Indemnification

This policy shall always apply excess over any other:

- (a) more specific valid and collectible insurance available to the **Insured** from any other party; and
- (b) any **Money, Securities or Other Property** received by the **Insured** from any other party,

in connection with any covered **Loss**.

6.15 Sanctions

This policy shall not be deemed to provide cover, nor shall the **Insurer** have any liability to pay, any **Loss**, or provide any benefit hereunder to the extent that the provision of such cover, payment of such **Loss** or provision of such benefit would expose the **Insurer** to any sanction, prohibition, or restriction under United Nations resolutions, or the trade or economic sanctions laws or regulations of the European Union, United Kingdom, or United States of America.

6.16 Subrogation and Recoveries

The **Insurer** shall be subrogated to all the **Insured's** rights of recovery, contribution, or indemnity against any natural person or entity before or after any payments under this policy. The **Insured** shall do whatever is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights.

All recoveries from third parties shall be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

- (a) first, to the **Insured** to reimburse the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable **Limit of Indemnity**;
- (b) second, to the **Insurer** to reimburse the amount paid hereunder; and
- (c) third, to the **Insured** in satisfaction of any applicable excess.

Provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the **Insured's** benefit.

6.17 Subsidiaries

If, during the **Period of Insurance** the **Insured Organisation** acquires or creates a **Subsidiary** then automatic cover shall apply to the newly acquired or created **Subsidiary** and to all persons that would fall within the policy definition of an **Insured Person** of the newly acquired or created

Subsidiary for any **Crime** committed on or after the effective date of such acquisition or creation provided that such **Subsidiary**:

- (a) does not increase the **Insured's** total consolidated assets as stated in its last published annual report and accounts by more than 50%;
- (b) does not have any **Securities** listed on any stock exchange; and
- (c) is not a **Financial Institution**.

If any acquisition or creation breaches one or more of the above criteria, then the **Insurer** shall automatically provide coverage for such newly acquired or created **Subsidiary** for a period of 60 days after the effective date of such acquisition or creation. Coverage for such newly acquired or created **Subsidiary** shall expire at the end of 60 days unless the **Insured** gives written notice of such acquisition or creation as soon as practicable together with such information as the **Insurer** may require and the **Insurer** agrees in writing to insure it. The **Insured** also agrees to pay any reasonable additional premium and agrees to any amendments to the policy's terms and conditions that may be required.

The **Insurer** shall only provide cover for a **Loss** sustained by any **Subsidiary** or any **Insured Person** of any **Subsidiary** for any **Crime** committed whilst such entity is or was a **Subsidiary** of the **Insured Organisation**.

In the event an entity ceases to be a **Subsidiary** as a result of a buy-out by existing management, the **Insurer** agrees to maintain this policy in respect of such entity for a period of 30 days from the date of the buy-out for **Crime** committed subsequent to the buy-out. This additional cover shall not apply in circumstances where there is other insurance in force which provides cover in respect of such **Crime**.

6.18 Territory Covered

The **Insurer** will cover **Loss** the **Insured** sustains worldwide, excluding the United States of America and its territories and possessions.

The **Insurer** will also cover all of the **Insured's** offices and **Premises**, including any additional offices or **Premises located** worldwide, excluding the United States of America and its territories and possessions.

Section 7 - Definitions

7.1 Change of Control

means the:

- (a) acquisition of the **Insured** (or more than

50% of its total consolidated assets as stated in its last published annual report and accounts) by another entity, or the merger or consolidation of the **Insured** into or with another entity such that the **Insured** is not the surviving entity; or

- (b) obtaining by any person, entity, or affiliated group of persons or entities the right to elect, appoint, or designate more than fifty percent (50%) of the board of directors, board of trustees, board of managers, or functional equivalent thereof, or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof, of the **Insured**,

control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Insured**.

7.2 Claim Expenses

means the necessary and reasonable costs incurred by the **Insured** with the **Insurer's** prior written consent:

- (a) to substantiate the amount of **Loss**;
- (b) to repair or replace (to an equivalent standard) a safe or vault belonging to an **Insured**;
- (c) for **Legal Costs**,

provided that **Claim Expenses** shall not include salaries, commissions, emoluments or any other benefits from employment or costs and expenses normally incurred by the **Insured** in the absence of a **Crime**.

7.3 Client

means a person or entity for which the **Insured** provides goods or services as specified in a written agreement, but only while the written agreement is in effect.

7.4 Commercial Disruption

means the **Insured's** total inability to continue to provide goods or services. The ability to continue to provide goods or services at a level less than normal or optimal shall not be deemed to be **Commercial Disruption** for the purposes of this Policy.

7.5 Commercial Disruption Costs

means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to temporarily rent premises for the purposes of carrying on business or to hire temporary additional staff.

7.6 Communication

means an electronic, telegraphic, cable, teletype, telephone, or written instruction received by an **Employee** that:

- (a) directs the **Employee** to transfer, pay, or deliver **Money** or **Securities**;
- (b) contains a misrepresentation of a material fact; and
- (c) is relied upon by the **Employee**, believing the material fact to be true.

7.7 Computer System

means a computer and all input, output, processing, storage and communication facilities and equipment that are connected to such a device and that the operating system or application software used by the **Insured** are under the direct operational control of the **Insured**. Offline media libraries are deemed to be part of such **Computer System**.

7.8 Counterfeiting

means:

- (a) an imitation of **Money** or **Securities**; or
- (b) cloned **Credit, Debit or Charge Card** that is intended to deceive and to be taken as genuine.

7.8 Credit, Debit or Charge Card

means any card, plate or other similar device used for the purpose of obtaining **Money**, property, labour or services on credit or for immediate payment. The terms do not mean a note, cheque, draft, money order or other negotiable instrument.

7.9 Crime

means the criminal, fraudulent or dishonest taking or appropriation of **Money, Securities, Other Property** or **Funds** to the deprivation of the **Insured** by any person.

7.10 Criminal Damage

means destruction of or damage to **Money, Securities** or **Other Property** caused as a direct consequence of a **Crime** attempted or committed by any person.

7.11 Criminal Damage Costs

means the cost of replacing **Money** or **Securities**.

7.12 Data

means information contained in any record belonging to the **Insured** whether electronic or physical, including books, manuscripts, tapes, disks, memory devices, servers or **Computer Systems**.

7.13 Data Damage
means the criminal and malicious alteration, deletion, or corruption of **Data** where the **Insured** has been specifically and solely targeted.

7.14 Data Damage Expenses
means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to rectify **Data Damage** but does not include expenses to replace hardware, improve or optimise software, or arising from the incorrect use or obsolescence of hardware or software.

7.15 Discovered/Discovery
means when a **Manager** of the **Insured**:

- (a) first learns of a **Crime** or any acts that may reasonably be expected to cause **Loss**; or
- (b) first suspects (even without the knowledge of such acts) that a **Crime** may have been committed that is likely to lead to **Loss**,

regardless of when the acts took place or the quantum of **Loss**.

Discovery also means when the **Insured** receives notice of an actual or potential claim against it alleging facts that if true would lead to **Loss**. **Discovery** by one person shall be regarded as **Discovery** by all persons.

7.16 Discovery Period
means an automatic period of 60 days after the **Period of Insurance** has expired.

7.17 Employee
means a natural person who:

- (a) the **Insured** compensates directly by salary, wages or commissions;
- (b) the **Insured** has the right to direct and control while performing services for the **Insured**;
- (c) is leased to the **Insured** under a written agreement between the **Insured** and an employment agency, while that person is subject to the **Insured's** direction and control and performing services for the **Insured**;
- (d) is a guest student or intern pursuing studies or duties in any of the **Insured's** offices or **Premises**; while such person is subject to the **Insured's** direction and control and performing services for the **Insured**;

(e) is a volunteer, while such person is subject to the **Insured's** direction and control and is performing services for the **Insured** and is employed by an entity to whom the **Insured** outsources services;

(f) used to hold a position described in (a) – (e) above for the first 30 days following termination of employment unless such termination was the result of a **Crime**, fraud or dishonesty; or

(g) is a **Fiduciary** of any **Employee Pension Plan**.

7.18 Employee Pension Plan
means any pension, retirement or benefit plan which has been declared to, and for which cover has been agreed by, the **Insurer** and that existed on the inception date of this policy and thereafter or which is created or acquired after the inception of this policy. It shall not mean any multi-employer plan unless the latter consists solely of **Insureds** covered by this policy.

7.19 Employee Pension Plan Loss
means direct loss of, or direct loss from damage to, **Money**, **Securities** and **Other Property** that belongs to an **Employee Pension Plan**, directly caused by a **Crime** committed by a **Fiduciary**, whether identified or not, acting alone or in collusion with other persons.

7.20 Expiry Date
means the last day of the **Period of Insurance** ending at midnight local time at the address stated in the Schedule.

7.21 Fiduciary
means any natural person who is a trustee, an officer, an **Employee** or an administrator of any **Employee Pension Plan**; and any person, or a member of the board of directors, an officer, a member of the board of trustees, a **Manager**, or an **Employee** while that person is handling **Money**, **Securities** and **Other Property** that belongs to any **Employee Pension Plan**.

Fiduciary does not mean any agent, broker, independent contractor, broker/dealer, registered representative, investment advisor, custodian or other person or entity of the same general character.

7.22 Financial Interest
means the insurable interest of the first named **Insured** stated in the Schedule in an that is domiciled in foreign jurisdiction in which the **Insurer** is not licensed to provide this insurance, as a result of such first named **Insured**:

- (a) ownership of the majority of the outstanding securities or voting rights of such **Insured**

representing the present right to elect, appoint, or exercise a majority control over such **Insured's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;

- (b) indemnification of, or representation that it has an obligation to indemnify, such **Insured** for **Loss** incurred by such **Insured**; or
- (c) election or obligation to obtain insurance for such **Insured**.

7.23 Financial Institution
means

- (a) a bank, trust company, savings bank, credit union, savings and loan association or similar thrift institution; or
- (b) a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution.

7.24 Forgery or Forged
means the signing of the name of another person or organisation with a handwritten signature by a **Third Party** without authority and with the intent to deceive. Forgery by mechanically or electronically produced or reproduced signatures are treated the same as hand-written signatures.

7.25 Funds
means credit balances in the **Insured's** name held at a **Financial Institution**.

7.26 Funds Transfer Fraud
means the unlawful taking of **Funds** from an account held by the **Insured** with a **Financial Institution** following and as a result of a fraudulent electronic, telegraphic, verified facsimile, telephone or handwritten instruction to the **Financial Institution** to debit the **Insured's** account and to transfer, pay or deliver **Money** or **Securities** from the **Insured's** account which instruction purports to have been transmitted or purports to have been issued by the **Insured** but was, in fact, fraudulently transmitted or fraudulently issued, forged or altered by a **Third Party**.

7.27 Identity Fraud
means the theft or fraudulent alteration of information pertaining to the identity of the **Insured** by an **Employee, Third Party** or **Client** which the **Insured** is legally required to provide (including memoranda and articles of association, annual financial filings and compliance records) or has legitimately authored, provided that such information has been relied upon by investors, customers or vendors in establishing the financial standing and credit worthiness of the **Insured**.

7.28 Identity Fraud Expenses
means the necessary and reasonable legal fees incurred by the **Insured**, with the **Insurer's** prior written consent:

- (a) to correct or reinstate information following an **Identity Fraud**; or
- (b) to dismiss legal actions against them on the grounds that they are not the perpetrator of the alleged wrongdoing or to employ a private investigation agency to investigate the identity of the perpetrator of the **Identity Fraud**.

7.29 Insured
means the policyholder, **Subsidiary** or any **Employee Pension Plan**.

7.30 Insurer
means Travelers Insurance Company Ltd.

7.31 Legal Costs
means the necessary and reasonable legal fees incurred by the **Insured**, with the **Insurer's** prior written consent, in defending a claim brought against it to establish liability for a **Loss** resulting from a **Crime**.

7.32 Limit of Indemnity
means in respect of:

- (a) all Insuring Clauses; and
- (b) all Additional Benefits (subject to the applicable sub-limits stated in the Schedule,

the amount stated in the Schedule being the maximum amount that the **Insurer** shall pay in respect of any **Loss** or other request for indemnity regardless of the number of separate **Losses** sustained, or requests for indemnity under this policy. The **Limit of Indemnity** applies over and above any excess payable.

7.33 Loss
means

- (a) direct financial loss sustained by the **Insured** resulting from a **Crime**; or
- (b) direct financial loss sustained by the **Insured** resulting from **Social Engineering Fraud**.

7.34 Manager
means any natural person who was, is or becomes:

- (a) a director, officer or committee member of any **Insured**, whether employed,

appointed under a contract for service or otherwise; or

- (b) a shadow director or de facto director of any **Insured**,

Manager shall not include any external auditor, receiver, administrator, manager, liquidator or any other insolvency officeholder of any **Insured**.

7.35 Money

means currency, coins and bank notes in current use and bullion, traveller's cheques, postal orders, postage stamps, luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, VAT stamps, petrol cards in current use and unused credits in franking machines.

7.36 Other Property

means any tangible property other than **Money** and **Securities** that has intrinsic value.

7.37 Period of Insurance

means the period of time designated in the Schedule.

7.38 Premises

means the interior of that portion of any building the **Insured** occupies in conducting the **Insured's** business.

7.39 Public Relations Consultancy Fees

means the necessary and reasonable costs incurred by the **Insured** with the **Insurer's** prior written consent, to employ the services of a public relations consultant solely to provide advice to mitigate adverse publicity (but not the costs of advertising or disseminating information) following a **Loss** resulting from a **Crime**.

7.40 Robbery

means the unlawful taking of **Money**, **Securities** and **Other Property** from the care and custody of a person authorised by the **Insured** to have such property (except any person acting as a porter, watchperson or janitor) by one who has:

- (a) caused or threatened to cause that person bodily harm; or
- (b) committed an unlawful act witnessed by that person.

7.41 Securities

means negotiable and non-negotiable instruments or contracts representing **Money** or **Other Property** but does not include **Money** or **Other Property**, letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable or any other bill, document or receipt similar in nature or effect or serving a similar purpose.

7.42 Single Loss

means all **Loss** caused by:

- (a) an individual act;
- (b) the combined total of all separate acts; or
- (c) a series of related acts, committed by an **Employee** or committed by more than one **Employee** acting alone or in collusion with other persons,

for the purpose of all Insuring Clauses and Additional Benefits.

7.43 Social Engineering Fraud

means the intentional misleading of an **Employee** through the use of a **Communication**.

7.44 Subsidiary

means a company or Limited Liability Partnership in which the Policyholder:

- (a) holds directly or indirectly more than 50% of the issued share capital;
- (b) has the right to appoint or remove a majority of the board of directors or members; or
- (c) holds directly or indirectly a majority of the voting rights.

7.45 Telephone Fraud

means the unauthorised access and use of the **Insured's** telephone system located on the **Premises** whether access is initiated on or off the **Premises**.

7.46 Third Party

means a natural person other than an **Employee**, **Manager** or **Insured**.

7.47 Third Party Crime

means:

- (a) the **Forgery** or **Counterfeiting** of any **Money** or **Securities** including **Credit**, **Debit** or **Charge Card** issued to the **Insured** for business purposes;
- (b) the **Insured's** direct loss of **Money** or **Security** or caused by the use of any computer by a **Third Party**, who does not have authorised access to the **Computer System** or network of the **Insured**, to fraudulently cause a transfer of **Money**, **Securities** or **Other Property**;
- (c) the **Insured's** loss of **Money** or **Securities** directly caused by theft, disappearance, damage or destruction while in transit outside the **Premises** and

in the care and custody of a director or **Employee** or of a partners of the **Insured**; or

- (d) the loss of **Money** or **Securities** directly caused by theft, disappearance, damage or destruction within the **Premises**.

7.48 Transfer Verification
means

- (a) a verbal conversation with; or
- (b) an email instruction from,

a purported **Vendor**, **Client**, **Manager** or **Employee** using a **Verification Method**, to verify the identity of the **Vendor**, **Client**, **Manager** or **Employee** and the authenticity of a **Communication**.

7.49 Vendor

means an entity or natural person that has provided goods or services to the **Insured** under a genuine, pre-existing:

- (a) written agreement; or
- (b) other arrangement.

Vendor does not mean any **Financial Institution**, asset manager, armoured motor vehicle company, or similar entity.

7.50 Verification Method
means:

- (a) with respect to a **Vendor** or **Client**, calling a telephone number that:
 - (i) was provided by the **Vendor** or **Client** when the written agreement or other arrangement was first established with the **Insured**;
 - (ii) replaced a telephone number previously provided by the **Vendor** or **Client**, provided that confirmation of the legitimacy of the change was achieved through verbal contact with the **Vendor** or **Client** at the previously provided telephone number; or
 - (iii) replaced a telephone number previously provided by the **Vendor** or **Client** and was received by the **Insured** at least 30 days prior to the receipt of a **Communication**; or
- (b) verifying and ensuring that a genuine requestors' work email address has been used for such email instruction; and a **Manager** or an **Employee**, calling a telephone number obtained on a

published or electronic company directory maintained by the **Insured**, or having an in-person conversation with the **Manager** or **Employee**.

Section 8 Important Information

Please read this Policy carefully to ensure that it is in accordance with your requirements and that you understand its terms, exclusions and conditions. Please contact us immediately if any corrections are necessary.

Any enquiries you may have regarding your Policy may be addressed either to the insurance broker who arranged the Policy for you or directly to us.

Contact Details for Notification of Claims, Circumstances and Requests for Indemnity

If you wish to make a claim, please contact the insurance broker who arranged the policy or contact us quoting your policy number. Please also refer to our on-line guidance on how to make a claim which can be found at travelers.co.uk.

Travelers Insurance Company Limited
Bond and Specialty Claims
23-27 Alie Street, London, E1 8DS.

Email: reportclaim@travelers.com

Tel 0800 587 8388
Fax 020 3116 2139

COMPLAINTS PROCEDURE

Our Promise To You

We will acknowledge complaints promptly

We will investigate quickly and thoroughly

We will keep you informed of progress

We will do everything to resolve your complaint fairly

We will learn from our mistakes and use your feedback to continually improve our service

What To Do If You Have A Complaint

If you have a complaint, please contact us on 0203 207 6000, or email us at CustomerRelations@travelers.com.

For full information on your rights and how we will handle your complaint, please see our website <https://www.travelers.co.uk/documents/ComplaintsProcedure.pdf>.

USING PERSONAL INFORMATION

How we treat information about you and your rights under data protection legislation

In order to provide our insurance services, we (Travelers Insurance Company Limited acting as a Data Controller) will collect certain personal information about you. The type of information that we collect will depend on our relationship with you. For example, you may be a Travelers policyholder, prospective policyholder or a third party making a claim under a Travelers insurance policy.

If you provide us with personal information about a third party, you should share this notice with them.

We will also collect different types of information depending upon the kind of insurance cover we are being asked to provide or the kind of claim we are being asked to assess or pay.

Some of the information we collect may be classified as 'special category data', which is data that may contain information about physical or mental health, religious beliefs and criminal and disciplinary offences (including convictions).

Your personal information may be used in a number of ways including:

- considering an application for insurance,
- providing and administering an insurance policy,
- handling claims including claims validation,
- preventing and detecting fraud, including providing information to the relevant authorities.

Where relevant, we will share your information with other companies in the Travelers group, third parties such as claims handlers, loss adjusters, other insurers and reinsurers, fraud prevention agencies, service companies associated with our products, or as required by law (including providing the information to government or regulatory authorities). This may involve the transfer of your information to countries inside and outside the European Economic Area.

If your policy includes motor cover, your policy details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC).

We may also use your personal information for marketing purposes, but only in accordance with your marketing preferences.

For more information about how we process your data and the rights you have, please click

<http://www.travelers.co.uk/main/privacy-policy.aspx>.

MLP HELPLINE

All Travelers MLP customer are entitled to 1 hour of free legal advice from RPC, a leading UK law firm

As our client, you have access to expert legal advice on any subject matter relating to your MLP policy.

Our helpline is available Monday-Friday from 9.30am until 5.30pm excluding public holidays.

If you are in need of assistance, please contact the helpline on:

Tel: 020 3060 6626

Email: travml@rpc.co.uk



Travelers Insurance Company Limited
23 - 27 Alie Street, London, E1 8DS. Registered in England 1034343

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Registered office: 23 - 27 Alie Street, London, E1 8DS. Registered in England 1034343

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