

Whereas the Insured has made to us the Insurers who have hereto subscribed our names (hereinafter Insurers) the proposal which together with any other information which may have been supplied is hereby agreed to be the basis of the contract of insurance evidenced by this Policy and is deemed to be incorporated herein and has paid to Insurers the premium specified in the Schedule, Insurers agree to indemnify the Insured, subject to the terms, conditions, and limitations of this Policy for Loss resulting from any Insured Event which occurs on or after the Retroactive Date specified in the Schedule and is Discovered by the Insured during the Period of Insurance.

A. INSURED EVENTS

1. Employee Dishonesty

Loss of money and/or Property belonging to the Insured or for which the Insured is responsible resulting directly from any dishonest or fraudulent act of an Employee, wherever committed and whether committed alone or in collusion with others, with the manifest intent to cause the Insured to sustain such loss, or to obtain any improper personal financial gain for that Employee or for any other person intended by that Employee to receive such gain; provided always that the receipt of any entitlement to any salary, fee, commission, bonus, promotion or any other emolument or benefit does not constitute such improper financial gain except when such salary, commission or bonus results directly from a specific dishonest act on the part of that Employee.

2. Computer Fraud

Loss sustained directly as a result of:

- a) Computer Fraud (including Phishing)
- b) Electronic Data Loss
- c) Computer Virus

Provided that where the Insured is entitled to indemnity in terms of any other policy of insurance covering a) and/or b) and/or c) above such other insurance shall be considered primary and this Policy shall only be liable for any loss which exceeds the indemnity provided by such other insurance

3. Extortion

Loss sustained due to Extortion

4. Contractual Penalties

Loss sustained on account of liability for Contractual Penalties

5. Fraudulent Transfer Instructions

Loss due to Fraudulent Transfer Instructions

B. DEFINITIONS

1. **Insured** means each and every person or firm named or identified in the Schedule or in the list of subsidiaries provided by the Insured and which is deemed to be attached to and forming part of this Policy.
2. **Computer Fraud** means Theft or fraudulent conversion effected by the accessing of a computer system (including by the means of Phishing) with the intent to defraud by the use, disclosure, processing, deletion, insertion, amendment, interception or manipulation of the information, data, software or systems of the Insured or of any institution holding controlling or otherwise dealing with money or Property of the Insured or for which the Insured is responsible which is initiated, implemented or completed electronically.
3. **Computer Virus** means:
 - (a) a set of unauthorised instructions, programmatic or otherwise that propagate themselves including any Trojan horse, time or logic bomb, or worm, or any other destructive or disruptive code, media or program, or interference through the Insured's computer systems and/or networks via the means inherent in the operation of such systems, which instructions are maliciously introduced by a person which cause the Insured to transfer or pay or deliver any funds or Property establish any credit debit any account or give any value as a direct result of the destruction or attempt thereof of the Insured's electronic data while such data is stored within the Insured's computer system or a service provider's computer system.

- (b) Computer virus as defined above which causes the destruction of the Insured's electronic data or attempt thereof introduced by any person other than an Employee while such data is located as in 3 a).
4. **Contractual Penalties** means any penalty legally enforced against the Insured under written contract resulting directly from a Loss covered by this Policy provided that any amount paid by the Insurers in respect of such penalties shall be construed as part of any related claim for Loss sustained under Insured Events 1 and 2 and shall not exceed 10% (ten per cent) of the principal Limit of Indemnity stated in the Schedule
5. **Discovery/Discovered** means the Insured becoming aware of any actual or potential claim by a third party or for any Loss for which indemnity is or may be provided under this Policy, or of any fact or circumstance which would cause a reasonable person to assume that any Loss as insured by this Policy has or may have occurred, and regardless of:
- (a) the time or place of any act, transaction or other event which has or may have caused or contributed to such claim or Loss;
- (b) whether the Insured's knowledge of such claim or Loss is or could be sufficient at such time of first awareness to establish whether and to what extent such indemnity may be so provided.
6. **Electronic Data Loss** means Loss due to:
- (a) Malicious alteration or destruction of electronic data or attempt thereof by any person while such data is lawfully within the Insured's computer system or a service provider's system or while recorded upon electronic data processing media within the offices of the Insured or in the custody of a person designated by the Insured to act as its messenger or carrier custodian while such electronic data processing media is in transit provided that the Insured is the true owner of such programs or is legally liable for such loss.
- (b) Electronic data processing media being lost damaged or destroyed as a direct result of robbery, burglary, theft or malicious act while located as in (a) above.
- (c) Malicious alteration or destruction of electronic computer programs while lawfully stored within the Insured's computer system provided that the Insured is the true owner of such programs or is legally liable for such alteration or destruction.
7. **Employee** means any one or more natural persons each of whom is:
- (a) subject to a contract of service or apprenticeship with the Insured; or
- (b) part-time and temporary Employees including limited duration contractors and Employees hired or seconded by an employment contractor to perform employee duties for the Insured under the Insured's direct supervision and control at all times; or whom the Insured has the right to govern and direct in the performance of such service, or
- (c) participating in any recognised work-experience, training, study, exchange, or similar scheme on the premises,
- (d) any Employee, director or officer of any company authorised and retained by the Insured to perform services for the Insured under a written out-sourcing contract but only providing the Insured does not waive rights of recourse against such company and only whilst carrying out acts on behalf of the Insured
- (e) any person who ceases to be an Employee shall, for all purposes of the Policy, be considered as being an Employee for a period of 12 (twelve) months after ceasing to be an Employee.
8. **Extortion** means the taking from the Insured money and/or other Property by intentionally and unlawfully subjecting the Insured or any director, member, partner or Employee of the Insured or a relative or guest of any such person to any threat of physical harm or the threat to damage Property which induces such person to submit to the taking provided that the person threatened has made every reasonable attempt to report the threat to an associate and to the law enforcement authorities at the earliest reasonable opportunity, provided further that this shall not entitle the Insured to indemnity in respect of any Loss for which the Insured is or which would be insured in terms of a Theft or Money or Motor or Marine/Transit Insurance policy or any other more specific insurance covering money or goods.

9. **First Amount Payable** (only applicable if stated in the schedule) means the amount as stated in the Schedule payable by the Insured in respect of each and every Loss under the Policy and which amount shall be borne in full by the Insured and remain uninsured. All claims or Losses relating to the same act or series of acts committed by one person or in which one person is involved will be considered to be one Loss for the purposes of the application of the First Amount Payable.
10. **Franchise Amount** (Only applicable if stated in the schedule) means the amount as stated in the Schedule payable by the Insured in respect of each and every Loss under the Policy and which amount shall be borne in full by the Insured and remain uninsured. Should a Loss exceed the Franchise Amount then Insurers shall be liable for the full amount of the Loss, without the application of any First Amount Payable, subject always to Section E (Claims Conditions). All Losses relating to the same act or series of acts committed by one person or in which one person is involved will be considered to be one Loss for the purposes of the application of the Franchise Amount.
11. **Fraudulent transfer instructions** means fraudulent:
- (a) electronic, telegraphic, cable, teletype or telephone instructions to a financial institution to debit a transfer account and to transfer, pay or deliver funds from such account, which instructions purport to have been transmitted by the Insured or by a person duly authorised the Insured to issue such instruction but which have been fraudulently transmitted by another; or
 - (b) written instructions to a financial institution to debit a transfer account and to transfer, pay or deliver funds from such account through an electronic funds transfer system at specified times or under specified conditions, which written instructions purport to have been duly issued by the Insured but which have been fraudulently issued, forged or altered by another.
12. **Limit of indemnity** means the monetary amount specified in the Schedule.
13. **Loss** means direct financial loss to the Insured
14. **Period of insurance** means the period specified in the Schedule.
15. **Phishing** means the dishonest, fraudulent, malicious or criminal attempt to obtain sensitive account access information using electronic means by deceiving the Insured as to the origin of a communication.
16. **Property** means real or personal Property, used by the Insured in the conduct of its business, in which the Insured has an interest, or which is held (whether or not gratuitously or with legal responsibility) by the Insured for any purpose or in any capacity.
17. **Proposal** means a written application for this insurance, bearing the date specified in the Schedule and any supporting documentation.
18. **Schedule** means the current schedule attached to and forming part of this Policy.
19. **Terrorism** means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group of persons, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce or harm a government, the civilian population or any segment thereof, to disrupt any segment of the economy. Terrorism shall also include any act which is verified or recognised by the Republic of South Africa Government as an act of terrorism.
20. **Theft** means:
- (a) the dishonest appropriation of Property with the intention of permanently depriving the owner of it; or
 - (b) the taking of Property without lawful authority.

C. EXCLUSIONS

Insurers shall have no liability for Loss or costs:

1. which is either not discovered during the Period of Insurance, or occurs prior to the Retroactive date specified in the Schedule.

2. resulting directly or indirectly from any dishonest or fraudulent act of an Employee, other than such loss as is covered under Insured Event A.1, A.3 or A.4.
3. resulting from any dishonest or fraudulent act of any person committed after the discovery, in relation to that person, of any fraudulent or dishonest act.
4. resulting from any actual or apparent shortage (regardless of the amount thereof) in any physical cash balance, imprest or inventory of the Insured and caused by any error of the employee committed in good faith.
5. which is indirect or consequential loss of any nature.
6. resulting from loss or damage which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities, warlike operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military, or usurped power, martial law, riot, or the act of any lawfully constituted authority. In relation to any claim under this insurance for such loss or damage (or any legal proceedings to enforce such a claim), the burden of proving that such a loss or damage does not fall within this Exclusion shall be upon the Insured.
7. resulting from loss of or damage to Property (other than that caused by Theft) which arises directly or indirectly by reason of or connection with Terrorism.
8. to the extent that indemnity is (or would be but for this insurance) available from any other source except in respect of any amount in excess of the indemnity provided by such policy.
9. of any company or other legal entity acquired by the Insured during the currency of the Policy unless endorsed on the Policy or unless the acquisition of such company or other legal entity does not have the effect of increasing the number of Employees or the annual turnover of the Insured by more than 20% .
10. Loss resulting from or contributed to by any Theft fraud or dishonesty by
 - (a) any partner in or of the Insured or by any principal, director or member of the Insured unless such partner, principal, director or member acts in an executive capacity or such principal, director or member is also an Employee
 - (b) any Employee or partner from the time the Insured becomes aware that such Employee or partner has committed any theft fraud or dishonesty
11. if the Insured is a company, close corporation or partnership and any principal, shareholder, director, member of partner thereof is involved or implicated in the Loss other than to the extent of the shareholding, participation, membership or other share of the other principals, shareholders, directors, members or partners of the Insured
12. in terms of Insured Event 1 for any loss for which indemnity is provided in terms of a Money Policy held by the Insured except in respect of any amount in excess of the indemnity provided by such policy.
13. based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any pension, profit sharing or employee benefit or welfare programme or any share option, share incentive scheme or trust established in whole or in part for the benefit of any directors, officers or employees of the Insured.

D. LIMIT OF INDEMNITY AND FIRST AMOUNT PAYABLE

1. The liability of the Insurers for all Losses shall not exceed the Limit of Indemnity as stated in the Schedule whether involving any one Employee or third party or any number of Employees or third parties acting in collusion or independently of each other and the Limit of Indemnity is the total aggregate amount of the

indemnity for which the Insurers shall be liable during any one Period of Insurance for all legal persons and events insured under this Policy and payment of the total Limit of Indemnity in any one Period of the Insurance by way of indemnity to one or more of such insured persons shall discharge the Insurers' liability in respect of all insured persons and events under this Policy for that Period of Insurance. Renewal of this insurance from period to period or any extension of any Period of Insurance shall not have the effect of accumulating or increasing the liability of the Insurers beyond the Limit of Indemnity stated in the Schedule

2. If the Limit of Indemnity or First Amount Payable or Franchise Amount shall be increased at any time such increase amount shall apply only to Insured Events committed after the date of such increase unless otherwise agreed by the Insurers in writing.
3. All claims or Losses relating to the same act or series of acts committed by one person or in which one person is involved will be considered to be one Loss for the purposes of the application of the Limit of Indemnity and First Amount Payable or Franchise Amount.

E. CLAIMS CONDITIONS

1. As a condition precedent to Insurers' liability to make any payment under this Policy, the Insured shall, as soon as reasonably practicable but upon Discovery, give Insurers written notice of every occurrence or loss, or claim made or threatened against the Insured, which gives or may give rise to a claim by the Insured under this Policy, such notice to include full particulars thereof and every letter, demand, writ, summons, or other notice or process received by the Insured.
2. For the purpose of this policy, Insurers will consider any one loss and/or series of losses to arise out of the same event if any of the persons, transactions, conditions or circumstances concerned therein are either common or directly or indirectly related.
3. As a condition precedent to Insurers' liability to make any payment under this Policy, the Insured shall:
 - (a) give Insurers or their appointed representatives all information and assistance as they may reasonably require;
 - (b) provide or make available (upon request and at a time and place designated by Insurers) to the best of its ability and power for examination all pertinent books, records and papers (including the audit papers of its auditors), and for interview any director, officer, Employee or other person;
 - (c) take no action which might prejudice Insurers, and not admit liability for or offer to settle any claim, loss or costs without the express written consent of Insurers.
4. Insurers shall be entitled at any time and at their sole discretion to:
 - (a) take over and conduct in the Insured's name the defence of any claim and to prosecute in the Insured's name for Insurers' benefit any claim for indemnity or damages or otherwise against any third party;
 - (b) conduct any negotiations and proceedings and the settlement of any claim;
 - (c) pay to the Insured the limit of indemnity (less any costs incurred by Insurers) or any lesser sum for which any claim can be settled, whereupon they shall be under no further liability to the Insured in respect of such claim.
5.
 - (a) This insurance is for the exclusive benefit of the Insured and no other person shall have any rights under this Policy in respect of any claim or otherwise.
 - (b) Insurers' liability under this Policy in respect of any claim shall be discharged by the payment or provision to pay or on behalf of any one or more Insureds of whatever total indemnity or other benefit is due in respect of that claim, regardless of the identity, number or type of Insureds involved in such claim.

F. GENERAL CONDITIONS

1. If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall be void and all claims hereunder shall be forfeited.

2. Insurers' liability under any and all contracts of insurance evidenced or deemed to be evidenced by this Policy shall be the liability so specified in this Policy as applicable to any one such contract and shall not (save as so specified) be varied or deemed varied by virtue of the number or type of Insureds or claims under this Policy.
3. This Policy shall be deemed cancelled with effect from the first date following inception of this insurance on which, in relation to any one Insured, the liquidation, either voluntary or compulsory, or the appointment of a receiver or manager, or the entering into of any Scheme of Arrangement or composition with creditors, or the control of that Insured being taken over by any Government or by officials appointed by any Government or Governmental Authority or Agency occurs,
provided that the arrangement, appointment or order in relation to such insolvency, liquidation or bankruptcy is not stayed, revoked, withdrawn or rescinded (as the case may be) within the period of 14 days immediately following the said date, and provided always that such a cancellation shall be without prejudice to any pre-existing right of the Insured in respect of any claim in relation to which the date of Discovery is not later than the said date and that, if no such claim has been or is notified to Insurers in accordance with paragraph F.1, the Insured shall thence be entitled to the return of a proportionate part of the premium in respect of the unexpired Period of Insurance.
4. This Policy shall be deemed cancelled upon expiry of 30 days notice of such cancellation given by or on behalf of Insurers and sent by recorded delivery to the Insured, who shall thence be entitled to the return of a proportionate part of the premium in respect of the unexpired period of insurance. The Policy may be cancelled at any time with immediate notice by the Insured whereupon the Insured may claim a refund of premium subject to the Insurers retaining premium at pro rata rates for time on risk.
5. The Insured shall give Insurers written notice of:
 - (a) its merger with, consolidation into, or acquisition of or by, any other body corporate, firm or business; or
 - (b) any purchase, assignment, transfer, pledge, or sale, of any assets or shares, occasioning any gain or loss by any person (or group of connected persons) of the entitlement to exercise (or control the exercise of) 20% or more of the voting power of any one Insured; or
 - (c) its establishment of any new office which either fails to meet the level of security declared in the proposal or causes an increase of more than 20% in the total number of employees,
within thirty (30) days of the effective date thereof, and shall provide promptly upon request such further information as Insurers may require, and shall thence pay to Insurers such additional premium as they may require in respect of this insurance. If the Insured shall fail to give Insurers any such notice or information, this Policy shall be deemed cancelled forthwith upon receipt of notice of such cancellation given by or on behalf of Insurers and sent by recorded delivery to the Insured, who shall thence be entitled to the return of a proportionate part of the premium in respect of the unexpired period of insurance.
6. Upon their payment of any Loss or costs under this Policy, Insurers shall:
 - (a) become subrogated to every right, title, interest, and cause of action the Insured may have in respect of such Loss or costs;
 - (b) apply any recovery of such loss or costs as far as it will go in the discharge, in the following order, of:
 - (i) Insurers' actual costs of making such recovery;
 - (ii) any excess of the Insured's total loss over the total of any excess borne by the Insured and the amount indemnified to the Insured under this Policy in respect of such Loss and costs;
 - (iii) the total indemnified by Insurers to the Insured under this Policy in respect of such Loss and costs;
 - (iv) the First Amount Payable or Franchise Amount by the Insured, or any amount indemnified to the Insured under any other insurance of which this Policy is in excess, in respect of such Loss and costs.
7. Notice under this Policy shall be deemed duly given:
 - (a) to Insurers if sent by post, facsimile or e-mail to Camargue Underwriting Managers (Pty) Ltd at

Postnet Suite 250, Private Bag X4, Bedfordview 2004,
Facsimile +27 (011) 778 9199

or to such other person or address as has been notified to the Insured for this purpose from time to time;

(b) to the Insured or any other person if sent by post to his last known address.

8. The contract of insurance evidenced by this Policy shall be governed by South African law. Any dispute concerning this insurance which has not been resolved to the reasonable satisfaction of the Insured following its reference to Insurers shall be submitted to the jurisdiction of any competent court specified in the Schedule and in accordance with the law and practice applicable in such court.
9. The insurance under this Policy shall be in excess of and not in contribution with any valid and collectible insurance or the First Amount Payable or Franchise Amount under such other insurance with another insurer and covering a loss covered by this Policy but this Policy will not be subject to the provisions of such other insurance.
10. The Insurers' agreement to insure and to indemnify the Insured is conditional upon the agreed payment of the premium by or on behalf of the Insured and the receipt thereof by or on behalf of the Insurers. Premium is payable on or before the inception date or Renewal Date as the case may be.
11. Misrepresentation or non-disclosure in any material particular shall render voidable the particular item or part of the Policy affected by such misrepresentation or non-disclosure.
12. The Insured shall take all reasonable steps and precautions to prevent Losses.
13. **Apportionment of Recoveries**
If the Insured shall sustain any Loss which exceeds the Limit of Indemnity hereunder in respect of such Loss the Insured shall be entitled to all recoveries (except for the amount of any First Amount Payable) by whomsoever made on account of such Loss until fully reimbursed less the actual cost of effecting the same and any remainder shall be applied to the reimbursement of the Insurer or to the Insured to the extent of any First Amount Payable by the Insured forming part of such recovery.
14. The Insured shall institute and/or maintain and continue to employ in any material manner all such systems of check and control as represented to the Insurers by the Insured in the signed Proposal Form. Any significant or material changes to the above should be declared to the Insurers within 30 (thirty) days.

G. Clauses and Extensions

1. Claims Preparation Costs

In addition to the principal Limit of Indemnity stated in the Schedule the insurance under the Policy is extended to include costs reasonable incurred by the Insured in producing and certifying any particulars or details required by the Insurers in terms of Claims Condition E 1, or to substantiate the amount of any claim provided that the liability of the Insurers for such costs in respect of any one claim shall not exceed the amount stated in the Schedule.

2. Cost of Recovery

If the Insured shall sustain any Loss to which the Policy applied which exceeds the Limit of Indemnity hereunder the Insurers will in addition to the principal Limit of Indemnity pay to the Insured costs and expenses not exceeding the amount stated in the Schedule necessarily incurred with the consent of the Insurers (which consent shall not unreasonably be withheld) for the recovery or attempted recovery from the Employee or other person in regard to whom the claim is made. .

3. Reinstatement of Office Records

In addition to the principal Limit of Indemnity stated in the Schedule this Policy is extended to include costs charges and expenses incurred by the Insured in replacing and/or restoring any computer files data media documents manuscripts business books plans designs specifications or programmes destroyed damaged or lost as a result of Loss insured by this Policy provided that the liability of the Insurers shall not exceed the Amount stated in the Schedule.

4. Automatic Reinstatement of the Insured Amount

(Applicable only if stated in the Schedule to be included)

In the event of the exhaustion of the aggregate limit under this Insurance by reason of any one loss and/or series of losses such aggregate limit shall be reinstated, without payment of an additional premium, but any such reinstated amount shall apply only in respect of payments which are totally unrelated to any payment(s) that give rise to such reduction. It being understood that the total liability of Insurers under this Insurance shall be limited to twice the amounts shown in the Schedule during the Period of Insurance.

If the Insured has in effect any Insurance or Insurances providing excess coverage for limits beyond the amounts available under this Insurance, the reinstatement herein provided for shall become effective only AFTER the total exhaustion of the limits of all such excess coverage by reason or payments thereunder.

5. Accountants Clause

Any particulars or details contained in the Insured's books of account or other business books documents or systems which may be required by the Insurers for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

6. Prior Knowledge

It is agreed that knowledge by the person signing the proposal form or giving renewal or other instructions of his own fraud or dishonesty, whether acting alone or in collusion with others, shall not prejudice any claim under this section.

7. Unidentifiable Employees Clause

If a loss is alleged to have been caused by the fraud or dishonesty of any of the employees and the insured shall be unable to designate the specific employee or employees causing the loss, the insured's claim in respect of such loss shall not be invalidated by their inability so to do, provided the insured is able to furnish evidence to prove to the reasonable satisfaction of the insurers that the loss was in fact by reason of and caused by one or more dishonest or fraudulent acts of one (or more than one acting in collusion) of the employees of the insured wherever committed.

8. No Claims Bonus

(Applicable only if stated in the Schedule to be included)

The Insurers may allow 10% (ten percent) discount off the initial premium paid if the Policy is renewed for a further twelve (12) month period with Camargue Underwriting Managers (Pty) Limited, via the Broker stated in the Schedule, provided that there have been no claims or losses reported or which should have been reported in the prior Period of Insurance.

9. Legal Fees

The Policy is extended to include cover for legal fees, costs and expenses incurred and paid by the Insured in defence of any demand, claim, suit or legal proceeding which the Insured can reasonably establish resulting directly from a loss covered by any Insured Event, provided always that:

- a) Such indemnity under this extension is part of and not in addition to the Limit of Indemnity specified in the Schedule and is restricted to the percentage of the Limit of Indemnity stated in the Schedule, subject always to a maximum of 15% of the annual aggregate Limit of Indemnity but shall not exceed R5,000,000 in any one period of insurance;
- b) Such loss exceeds the First Amount Payable or Franchise Amount, as specified in the Schedule
- c) Insurers will only be liable to make any payment of fees, costs or other expenses incurred with the Insurers prior consent;
- d) Upon notification or awareness of any demand, claim, suit or legal proceeding covered in terms of this Policy, the Insured must, within 30 days, inform the Insurers of such notification and shall transfer any rights, actions or recourse to the Insurers
- e) Insurers take over and conduct in the Insured's name the defence of any demand, claim, suit or legal proceeding and to prosecute in the Insured's name for the Insurers benefit or otherwise against any third party. Further, the Insurers reserves the right to conduct any negotiations and proceeding and the settlement of any demand, claim, suit or legal proceeding
- f) The Insured shall not undertake any action which might prejudice Insurers
- g) The Insured shall not appoint Council without prior consent by the Insurers

10. Additional Reporting Period

The Insured is granted an additional period of 12 (twelve) months to either discover a loss or to identify circumstances that may give rise to a claim for indemnity in terms of this Policy and to comply with Claims Condition E provided that

- a) the additional period
- b) applies only in the event of the Insurers (and not the Insured) cancelling or refusing to renew this Policy. The quotation by Insurers of different premiums, terms, limitations, exclusions or Limits of Indemnity at renewal does not constitute a refusal to renew.
- c) granted shall continue to exist after termination of this Policy and is subject otherwise to all the terms, Exclusions and Conditions of this Policy.
- d) shall, notwithstanding the period of twelve months stated, terminate immediately as of the expiry date or cancellation date of this Policy should insurance replacing in whole or in part the insurance afforded by this Policy be obtained by the Insured regardless of whether such replacing insurance provides for loss sustained or circumstances occurring prior to its effective date.

11. Additional Costs of Business Interruption

Any reasonable additional costs incurred during the indemnification period and after the waiting period caused by a loss covered under this policy provided that these additional costs are beyond the Insured's usual operational costs and necessary for the restoration of the normal course of operations of the Insured's business. For the purpose of this extension:

- i) Additional costs shall mean:
 - a. Renting fee for temporary replacement equipment and temporary additional premises;
 - b. Costs of additional external workforce and overtime employees;
 - c. Costs related to transportation of equipment and or documents.
- ii) Waiting period shall mean the period of 48 hours starting from the discovery of the loss.
- iii) Indemnification period shall mean the period of 90 days starting immediately after the waiting period.

The maximum Limit of Indemnity provided under this extension shall be 10% of the Limit of Indemnity purchased. This amount will be in addition to the Limit of Indemnity stated in the policy schedule.

12. Data Protection Extension

(Applicable only if stated in the Schedule to be included)

The Underwriters will indemnify the Insured in respect of Claims first made during the Period of Insurance for Cyber Events occurring on or after the Retroactive Date stated in the Schedule. This extension is subject otherwise to the Operative Clause and the terms, Conditions and Exclusions of this policy insofar as they are not overridden in this extension.

The Underwriters will indemnify:

- (a) Security and Privacy Liability the Insured's Legal Liability arising out of Security Breach or Privacy Breach;
- (b) Privacy Regulatory Defence and Penalties the Insured's Legal Liability arising from, a civil regulatory action, a civil penalty, or fines to the extent insurable by law, imposed by a governmental regulatory body against the Insured arising from a Security Breach, Privacy Breach or Breach of Privacy Regulations;
- (c) Crisis Management Costs, Customer Notification Expenses the Insured for Crisis Management Costs, Customer Notification Expenses and Customer Support Expenses when such costs and expenses are incurred, following a Security Breach, Privacy Breach or breach of Privacy Regulations;

provided always that the total liability of the Underwriters under this extension shall not exceed the amount stated in the Schedule in respect of all claims made during this period.

Definitions

For the purposes of this extension:

1. Computer Network(s) means interconnected electronic, wireless, web, or similar systems (including all hardware and software) used to process data or information in an analogue, digital, electronic or wireless

- format including, but not limited to, computer programs, electronic data, operating systems, servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off line storage facilities (to the extent that they hold electronic data), and electronic backup equipment.
2. Crisis Management Costs means any fees reasonably and necessarily incurred by the Insured and approved by the Underwriters for the engagement of a public relations consultant, advertising expenses and legal expenses if the Insured reasonably consider that such appointment is needed in order to avert or mitigate any material damage to any of their brands.
 3. Customer Notification Expenses means reasonable costs incurred by the Insured following a Security Breach, Privacy Breach, or Breach of Privacy Regulations on the Insured's Computer Network that results in the compromise of personal information maintained on the Insured's Computer Network.
 4. Customer Support Expenses means those reasonable and necessary expenses the Insured incurs for the provision of credit file monitoring services and identity theft education and assistance.
 5. Cyber Costs and Expenses means costs authorised by the Underwriters, for:
 - a. The Insured's own reasonable and necessary costs and expenses of specialists, investigators, forensic auditors, or loss adjusters retained by the Insured for the purpose of conducting a review or audit to substantiate that a Cyber Event is occurring or has occurred.
 6. Cyber Event means any of the following incidents which occur on the Insured's computer network:
 - a. Security Breach,
 - b. Privacy Breach,
 - c. Breach of Privacy Regulations,
 - d. An attack by Malicious Code,
 7. Data means any machine readable information, including ready for use programs or electronic data, irrespective of the way it is used and rendered including, but not limited to, text or digital media. Legal Liability means damages and reasonable necessary expenses, incurred with the Insurer's written consent, in the investigation and defence of a claim against the Insured. Legal Liability does not include the Insured's internal costs such as salaries, overheads and other expenses that it would have existed irrespective of the claim.
 8. Malicious Code means software designed to infiltrate or damage a computer network without the owner's informed consent by a variety of forms including, but not limited to, Trojan horses, spyware, dishonest adware, and crimeware.
 9. Privacy Breach means a breach of confidentiality, infringement, or violation of any right to privacy including, the wrongful disclosure of confidential or private information.
 10. Privacy Regulations means the following, as well as similar statutes and regulations, as they currently exist and as amended, associated with the confidentiality, access, control, and use of personally identifiable, non-public information including, but not limited to:
 - a. the Constitution of the Republic of South Africa Act 108 of 1996;
 - b. the Electronic Communications and Transactions Act, 25 of 2002;
 - c. the Promotion of Access to Information Act 2 of 2000;
 - d. the Consumer Protection Act 68 of 2008 and regulations regarding the privacy of consumer information;
 - e. the Regulation of Interception of Communications and Provision of Communications-Related Information Act 20 of 2002;
 - f. Protection of Personal Information Act, 2013; and
 - g. the common law in relation to the right to privacy.
 11. Security breach means the Insured's actual or alleged breach of duty in preventing the intentional misuse of the Insured's computer network to: modify, delete, corrupt, destroy or wrongfully disclose data or participate in a denial of service.
 12. Underwriters means Lloyd's syndicate 2987 (Brit) and Lloyd's syndicate 2015 (Channel) as evidenced by contract no. B038517CIG5317, for 50% respectively.

Specific Exclusions

The Underwriters shall not be liable for any loss directly or indirectly arising out of or in any way attributable to:

1. The wear and tear, drop in performance, progressive or gradual deterioration, or aging of electronic equipment and other property or hardware used by the Insured or the failure of the Insured or those acting on the behalf of the Insured to adequately maintain any Computer Network or, or other equipment or hardware associated with such Computer Network.
2. The electrical or mechanical failure of any equipment which is not the Insured's property. Electrical failure includes the inability to transmit data.
3. Circumstances which arose prior to the inception of this policy which the Insured could have reasonably have foreseen would likely give rise to a claim
4. Injury.
5. The actual or alleged inaccurate, inadequate, or incomplete description of goods, products, or services; including the price thereof, cost guarantees, cost representations, contract price or cost estimates being exceeded.
6. Shares and other securities
7. Any deliberate act or omission of the Insured which the Insured could reasonably have foreseen would increase the likelihood and or quantum of a claim in terms of this policy.
8. Any criminal act of the Insured.
9. Liability assumed by the Insured under any agreement unless such liability would have existed in the absence of such agreement.
10. The Insured failing or ceasing to provide a product or service.
11. Gambling, pornography, prizes, awards, coupons, or the sale or provision of prohibited, restricted, or regulated items including, but not limited to, alcoholic beverages, tobacco, or drugs;
12. Damage. Data is not considered tangible property.
13. The Insured shall bear the First Amount Payable stated in the Schedule for each and every loss under the Policy.

13. VAT Exclusive

Notwithstanding that sums insured, first loss amounts, indemnity limits or insured values, by whatever name such are referred to in this Policy (henceforth "Policy Limits") are expressed on a VAT exclusive basis, the Insurers agree that they will indemnify the Insured for any VAT obligations the Insured may incur, arising out of any claims settlement made hereunder.

14. VAT – Deductibles

Any first amount payable, deductible or aggregate deductible will be applied to any claims settlement prior to the indemnification of the Insured for the VAT obligation referred to in Section D above.

