CYLO

Backed by CGU

Cyber Insurance Policy Wording

Important Information

How Cylo Protects Your Privacy

We collect, hold and use information provided by Our customers to allow Us to offer Our products and services. This means We may need to collect your Personal Information, and sometimes sensitive information about you (for example, health information for travel insurance). We will collect this information directly from you where possible, but there may be occasions when We collect this information from someone else.

We will only use your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give Us your information, but this may affect Our ability to provide you with insurance cover.

We may share this information with third parties including companies within Our group, government and law enforcement bodies if required by law and others who provide services to Us or on Our behalf, some of which may be located outside of Australia.

For more details on how We collect, store, use and disclose your information, please read Our Privacy Policy located at cylo.ai/privacy-policy. Alternatively, contact Us at contact@cylo.ai and We will send you a copy. We recommend that you obtain a copy of this Policy and read it carefully.

By applying for, using, or renewing any of Our products or services, or providing Us with your information, you agree to this information being collected, held, used and disclosed as set out in this Policy.

Our Privacy Policy also contains information about how you can access and seek correction of your information, complain about a breach of the privacy law, and how We will deal with your complaint.

General Insurance Code of Practice

We proudly support the General Insurance Code of Practice (Code). The purpose of the Code is to raise the standards of practice and service in the general insurance industry. The objectives of the Code are:

- to commit Us to high standards of service;
- to promote better, more informed relations between Us and you;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for resolving complaints you make about Us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code.

We have adopted and supported the Code and are committed to complying with it.

Please contact Us if you would like more information about the Code or the Code Governance Committee.

About the Insurer

This Policy is issued by CGU Australia Pty Ltd ABN 62 004 478 960 AFSL 700014 trading as CGU Insurance (CGU).

CGU's contact details are:
Level 13, Tower Two, Darling Park 201 Sussex Street
Sydney NSW 2000
Telephone: 1800 045 517

In the first instance, you should contact Cylo in relation to this Policy.

About Cylo

Cylo Australia Pty Ltd ABN 29 666 378 909 (Cylo) specialises in cyber insurance and operates as an Authorised Representative (Authorised Rep No. 001303389) of IAG Agencies Pty Ltd ABN 11 147 749 139 AFSL 471282. Cylo has a binding authority from CGU to issue and administer the Policy. This means that when Cylo issues and administers this Policy, Cylo is acting as an agent for CGU, not for you.

Please refer to the back page of this Policy for Cylo's contact details.

Intermediary Remuneration

We pay remuneration to insurance intermediaries when We issue, renew, or vary a Policy the intermediary has arranged or referred to Us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration, We may pay your intermediary you should ask your intermediary.

Interest on Unallocated Premium

If We are unable to issue your insurance when We receive your application, We are required to hold your Premium in a trust account on your behalf until your insurance can be issued. We will retain any interest payable by Our bank to meet, among other things, bank fees and other bank costs We incur in operating the account.

Our Service Commitment

We will always do Our best to provide you with the highest level of service but if you are not happy or have a complaint or dispute, here is what you or your insurance adviser can do.

If you experience a problem or are not satisfied with Our products, Our services or a decision We have made, you or your insurance adviser should let Us know so We can help.

The contact details to make a complaint depend on what type of complaint you have:

a. Underwriting Complaints

If you have a complaint relating to this Policy including premium or the terms under which We provide cover to you please contact:

Call: 1800 595 502
Email: contact@cylo.ai

b. Claims Complaints

If you have a complaint relating to a Claim you have made under this Policy please contact:
Call: 1300 135 790
Email: cylocyber@crawco.com.au

We will try to resolve complaints at first contact or shortly thereafter.

If We are not able to resolve your complaint when you contact Us or you would prefer not to contact the people who provided your initial service, Our Customer Relations team can assist:
Free Call: 1800 045 517
Email: Customer.Relations@iag.com.au

Customer Relations will contact you or your insurance adviser if they require additional information or have reached a decision. Customer Relations will advise you or your insurance adviser of the progress of your complaint and the timeframe for a decision in relation to your complaint.

We expect Our procedures will deal fairly and promptly with your complaint. If you are unhappy with the decision made by Customer Relations you or your insurance adviser may wish to seek an external review, such as referring the issue to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to customers. AFCA has the authority to hear certain complaints. AFCA will confirm if they can assist you:

Free Call: 1800 931 678 Email: info@afca.org.au
Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001
Visit: www.afca.org.au

Further information about Our complaint and dispute resolution process is available by contacting Us.

Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell Us anything that you know, or could reasonably be expected to know, may affect Our decision to insure you and on what terms.

You have this duty until We agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

a) reduces the risk We insurer you for; or

b) is common knowledge; or

c) We know or should know as an insurer; or

d) We waive your duty to tell Us about.

If you do not tell Us something

If you do not tell Us anything you are required to, We may cancel your contract or reduce the amount We pay you if you make a Claim, or both.

If your failure was fraudulent, We may refuse to pay a Claim and treat the contract as if it never existed.

Claims Made

This Policy only provides cover for a Claim first made against the Insured during the Period of Insurance and notified to Us during that Period of Insurance. However, if the Insured gives written notice to Us of facts that might give rise to a Claim made against the Insured as soon as reasonably practicable after the Insured becomes aware of those facts but before the end of the relevant Period of Insurance, the Insured may have rights under section 40(3) of the Insurance Contracts Act 1984 (Cth) to be indemnified in respect of a Claim arising from those facts even if the Claim is first made against the Insured after the Period of Insurance.

Section 1

How to Read This Insurance Policy

1.1 Words with Special Meanings

Some of the words in this Policy have special meanings. These meanings can be found in Section 9 of the Policy under the heading 'Words with Special Meanings'. If a word has a special meaning, it appears in this Policy with a capital letter.

1.2 Policy Interpretation

Except where the context otherwise requires it:

a) the singular includes the plural and the plural includes the singular;

b) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

c) words importing a gender include every other gender.

1.3 Paragraph Headings

The paragraph headings in this Policy are included for the purpose of reference only and do not form part of this Policy for interpretation purposes.

1.4 References to Legislation

References to legislation in this Policy includes any amendment, replacement, re-enactment, successor, equivalent or similar legislation.

Section 2

The Insurance Contract

2.1 Payment of the Premium

We agree to provide the cover described in this Policy upon full payment of the premium as stated in the Schedule. The Premium is subject to government taxes, levies and duties such as GST and stamp duty. Cylo, as agent of the Insurer charges an administration fee, separate to the Premium, to cover administration costs of setting up and maintaining the Policy. The administration fee You are charged will be set out in the Schedule. The administration fee will be retained by Cylo if the policy is cancelled. If full payment of the Premium as stated in the Schedule is not made, We may cancel the Policy if permitted in accordance with the provisions of the Insurance Contracts Act 1984 (Cth). Otherwise, in the event of a Claim, any outstanding premium will be deducted from the amount We pay the Insured.

2.2 Proposal

Before this Policy came into effect, We were provided with information by or on behalf of the Insured, in the Proposal and through Our underwriting assessment. We have relied on this information to decide whether to enter into this contract and on what terms. If any of that information is wrong or false, it may affect entitlement to cover under this Policy.

2.3 Period of Insurance

This Policy is in force for the Period of Insurance.

2.4 Responsibilities and Notification of Change of Material Risk

a) The Policyholder must as soon as reasonably possible, advise Us in writing of a material change in the risk, including but not limited to notifying Us if any of the following occurs during the Period of Insurance:

   i. undertaking activities that are materially different from the Insured Business;

   ii. any cancellation or suspension, or loss of or condition imposed, upon any licence, registration or other Authority required by the Policyholder to conduct the Insured Business; or

   iii. the Policyholder being insolvent, bankrupt or in liquidation; or

   iv. a Policyholder ceasing to exist or operate, or is consolidated with, merged into or acquired by another entity.

b) When We receive notification of a change, We may decide to either:

   i. continue cover with no change to the premium payable;

   ii. reduce the premium payable and return any refund to the Policyholder;

   iii. charge the Policyholder an additional premium (the Policyholder can cancel the Policy if the additional premium is not acceptable); or

   iv. cancel the Policy if permitted in accordance with the provisions the Insurance Contracts Act 1984 (Cth).

c) It is important for the Policyholder to know that We may make changes to this Policy as a result of a change in information. When there is a change, We will inform the Policyholder.

d) If the Policyholder does not notify Us of a material change, We may refuse to pay a Claim or reduce cover under the Policy. We may also decide to cancel the Policy if permitted in accordance with the provisions of the Insurance Contracts Act 1984 (Cth).

e) The course of action We take when the Policyholder fails to notify Us of a material change will be considered in each circumstance based on what impact or effect the Policyholder's failure to do so caused or contributed to the Claim or changes Our liability under the Policy.

Section 3

The Cover We Provide

The provisions of Section 3 apply to all Sections of this Policy, unless stated to the contrary.

3.1 Privacy Breach

We will pay, on behalf of the Insured, all sums which the Insured becomes legally obliged to pay (including liability for claimants' reasonable costs and expenses) and Defence Costs resulting from any Claim first made against the Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance as a direct result of:

a) Personal Information

a breach, by or on behalf of the Insured, in respect of any natural person, of any Privacy Obligations.

b) Commercially Confidential Information

any actual or alleged unauthorised disclosure or loss of Third Party Commercially Confidential Information, by or on behalf of, the Insured.

c) Employee Information

a breach, by or on behalf of the Insured, of any Privacy Obligations relating to any Employee as a direct result of the Insured's failure to maintain the confidentiality and/or security of any:

i. Computer Records pertaining to such Employee; and/or

ii. data or information pertaining to such Employee stored on the Insured's Computer Systems.

Exclusion 6.12(a) will not apply to this Section 3.1(c) only.

d) Information Outsourced by the Insured

any actual or alleged unauthorised disclosure, loss or theft of:

i. Personal Information; or

ii. Commercially Confidential Information,

in the care, custody or control of any Service Provider where such information is authorised to be in the care, custody or control of the Service Provider by the Insured pursuant to a written contract.

The Specific Cover Limit with respect to the cover provided in this Section 3.1 is specified in the Schedule.

e) The Excess applicable to this Section 3.1 is specified in the Schedule.

3.2 System Damage

a) We will pay Rectification Costs incurred:

i. in retrieving, repairing, restoring or replacing any of the Insured's Computer Records (or any other Computer Records for which the Insured is responsible) that have been destroyed, damaged, lost, altered, distorted or erased; and/or

ii. in repairing, restoring or replacing any of the Insured's Computer Systems that have been destroyed, damaged, lost, altered, distorted, erased or mislaid (and which after diligent search cannot be found), as a direct result of any Cyber Event first discovered by an Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance.

The Insured should seek Our agreement before incurring any Rectification Costs to ensure the Insured will be able to claim those costs back on this Policy. If the Insured does not obtain Our agreement first, We will only pay reasonable costs up to the amount We would have agreed to pay had the Insured obtained Our prior agreement.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this Section 3.2 is specified in the Schedule.

3.3 Business Interruption

a) We agree to reimburse the Insured for Business Interruption Loss We determine was reasonably incurred as the direct result of any Cyber Event directly impacting the Insured, and not as a result of a Cyber Event impacting a Service Provider, first discovered and notified to Us in writing as soon as reasonably possible during the Period of Insurance and lasts longer than the Time Excess.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Time Excess applicable to this Section 3.3 is specified in the Schedule.

3.4 Computer Virus Transmission and Hacking

We will pay, on behalf of the Insured, all sums which the Insured becomes legally obliged to pay (including liability for claimants' reasonable costs and expenses) and Defence Costs resulting from any Claim first made against the Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance as a direct result of any Third Party's financial losses arising directly from:

a) a Hacking Attack or Virus that has emanated from or passed through the Insured's Computer Systems; or

b) a Hacking Attack or Virus that restricts or prevents access to the Insured's Computer Systems by Third Parties authorised by the Insured to gain such access; or

c) the loss or theft of the Insured's Computer Records or Computer Records for which the Insured is responsible or alleged to be responsible for, arising directly from a Hacking Attack or Virus.

d) The Specific Cover Limit with respect to the cover provided in this Section 3.4 is specified in the Schedule.

e) The Excess applicable to this Section 3.4 is specified in the Schedule.

3.5 Multimedia Liability

We will pay, on behalf of the Insured, all sums which the Insured becomes legally obliged to pay (including liability for claimants' reasonable costs and expenses) and Defence Costs resulting from any Claim first made against the Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance as a direct result of:

a) libel, slander or defamation; or

b) invasion of, or interference with the right to privacy, including those of Employees, or commercial appropriation of names or likeness; or

c) plagiarism, piracy or misappropriation of ideas; or

d) infringement of copyright, domain name, commercial title or slogan, the dilution or infringement of trademark, service mark, service name or trade name, arising directly from:

   i. the Insured's Internet and Email Content; or

   ii. the Insured's Promotional Material; or

   iii. Third Party digital content downloaded, shared or distributed from the Insured's Computer Systems.

e) The Specific Cover Limit with respect to the cover provided in this Section 3.5 is specified in the Schedule.

f) The Excess applicable to this Section 3.5 is specified in the Schedule.

3.6 Breach of Statutory Duties Relating to E-Commerce

a) We will pay, on behalf of the Insured, all sums which the Insured becomes legally obliged to pay (including liability for claimants' reasonable costs and expenses) and Defence Costs resulting from any Claim first made against the Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance as a direct result of a breach, by or on behalf of the Insured, of any statutory duty relating to the security or management of information collected or created in the course of Electronic Commerce.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule. The Excess applicable to this Section 3.6 is specified in the Schedule.

3.7 Cyber Extortion Cover

a) Notwithstanding Section 6.16 f) and g) of the Policy, We agree to pay Cyber Extortion Costs arising solely from a Security Threat first made against the Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this Section 3.7 is specified in the Schedule.

Any Cyber Extortion Costs covered under this Section 3.7 will only be paid in accordance with applicable laws, subject to Our reasonable satisfaction that appropriate due diligence has been conducted on behalf of the Insured in relation to any payment and will be paid under the direction of, and be subject to, the notification of any relevant criminal enforcement or other Authority.

Section 4

Additional Coverage

Subject to all of the terms, conditions and exclusions of the Policy, We agree to add cover with the following additional coverages, unless the Schedule states that the coverage is 'Not Covered'. These additional coverages will not increase the Policy Limit or Specific Cover Limit as applicable unless expressly stated otherwise.

4.1 Brand Protection Cover

a) We will pay Public Relations Costs incurred to avert or mitigate damage to the Insured's reputation or its commercial brands caused by a Claim, Cyber Event or Loss that is covered under this Policy.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this additional coverage is specified in the Schedule.

4.2 Personal Reputation Cover

a) We will pay Public Relations Costs incurred to avert or mitigate damage to the reputation of any Insured caused by a Claim, Cyber Event or Loss that is covered under this Policy.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this additional coverage is specified in the Schedule.

4.3 Privacy Fines & Investigations

a) Notwithstanding Section 6.14 a), We will also pay, to the extent We are permitted to by law any:

b) Fine or Penalty, which the Policyholder is legally liable to pay, as a direct result of a breach by an Insured of its Privacy Obligations; and/or

   i. Regulatory Investigation Costs into such breach, provided that notice of the Regulatory Investigation into the breach specified in a) above is first received by the Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance.

c) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

d) The Excess applicable to this additional coverage is specified in the Schedule.

4.4 Privacy Breach Notification & Loss Mitigation

a) We agree to pay or reimburse Privacy Breach Costs incurred as a direct result of a Claim, Cyber Event or Loss covered by the Policy provided that the:

   i. Insured is legally obliged to incur the Privacy Breach Costs; or

   ii. Privacy Breach Costs will effectively mitigate or avoid a Claim, Cyber Event or Loss which the Insured would be entitled to cover under the Policy were such steps the subject of the Privacy Breach Costs not taken.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this additional coverage is specified in the Schedule.

4.5 Advancement of Defence Costs

a) If We elect not to take over and conduct the defence or settlement of any Claim, then We will pay all Defence Costs provided that:

   i. We have not denied cover under the Policy and, if cover is denied, only up to the point of any denial of cover; and

   ii. Our written consent is obtained prior to the Insured incurring such Defence Costs (such consent which shall not be unreasonably delayed or withheld).

b) The Insured on whose behalf or for whose benefit Defence Costs were paid, shall repay to Us, and We reserve the right to recover, all such Defence Costs, in the event and to the extent that:

   i. an express admission is made by the Insured or any person authorised to make such an admission on behalf of the Insured, of any of the conduct as set out in Section 6.11; or

   ii. it is subsequently established, directly or indirectly, by judgment or other final adjudication, that conduct of the type as set out in Section 6.11 has occurred.

4.6 Continuous Cover

a) We cover the Insured for any Claim otherwise covered by this Policy, arising from a Known Circumstance (notwithstanding Section 6.1 of this Policy) if:

   i. there has been no fraudulent non-disclosure or fraudulent misrepresentation in respect of such Known Circumstance;

   ii. We were the cyber liability insurer of the Insured when the Insured first knew of such Known Circumstance;

   iii. We continued without interruption to be the Insured's cyber liability insurer up until this Policy came into effect;

   iv. had We been notified of the Known Circumstance when the Insured first knew of it, the Insured would have been covered under the Policy in force at that time but is not now entitled to be covered by that Policy, and the Insured would (but for Section 6.1 of this Policy) otherwise be covered under this Policy; and

   v. the Known Circumstance has not previously been notified to Us or to any other insurer.

b) If the Insured was entitled to have given notice of the Known Circumstance under any other Policy of insurance with any other insurer, then this additional coverage does not apply to provide cover under this Policy to the extent that indemnity is provided to the

Insured under that other Policy of insurance.

c) Our liability under this additional coverage is reduced to the extent of any prejudice We suffer as a result of any delayed notification of the Known Circumstance to Us.

d) The Policy Limit or Specific Cover Limit as applicable of the cover We provide under this additional coverage is the lesser available under the terms of the Policy in force at the earlier time referred to in paragraph a) ii. above, or under this Policy. The terms of this Policy otherwise apply.

4.7 Extended Reporting Period

a) In the event that this Policy is not renewed or is cancelled for any reason other than non-payment of premium then the Policyholder has until such time that the Policyholder effects another insurance Policy which covers substantially the same risk as this Policy, either with Us or any other insurer(s), or a period of 30 days commencing on the day immediately following expiry/cancellation of this Policy, whichever is sooner, to notify Us in writing of any Claims made against or Losses discovered by the Insured during the Period of Insurance.

b) Where We agree to do so, and at Our absolute discretion, the Period of Insurance may be extended to 12 months upon payment of further premium, provided that Our total liability under the Policy for all Claims in the aggregate for the Period of Insurance and any extended period pursuant to this additional benefit, shall not exceed the Policy Limit. In the interests of clarity the Period of Insurance shall not, in any circumstances, be for a period in total greater than12 months from the original inception date of the Policy.

c) Cover under this additional benefit:

   i. does not reinstate or increase the Policy Limit or extend the Period of Insurance; and

   ii. will only apply to acts, errors or omissions committed or alleged to have been committed before the end of the Period of Insurance or the cancellation date of this Policy where this Policy has been cancelled; and

   iii. is limited to Claims and Losses arising from an act, error or omission which occurred on or after the 'Retroactive Date' specified in the Schedule.

4.8 Former Subsidiaries Run-off Cover

We cover any Subsidiary of the Policyholder that ceases to be a Subsidiary during the Period of Insurance, for Claims, liabilities, Losses or costs of the type and on the basis specified in Sections 3 and 4 of this Policy, provided that such cover shall only apply in respect of:

a) the conduct of the Insured Business; and

b) acts, errors or omissions which occurred after the 'Retroactive Date' specified in the Schedule and prior to the date on which such Subsidiary ceased to be a Subsidiary of the Policyholder.

4.9 Merged and/or Newly Acquired Subsidiaries

We cover entities, which are merged with or acquired by the Policyholder while this Policy is in force, for Claims, liabilities, Losses or costs of the type and on the basis specified in Sections 3 and 4 of this Policy, provided that such cover shall only apply in respect of:

a) The conduct of substantially the same type of Insured Business as covered by this Policy.

b) If the entity which is merged or acquired by the Policyholder during the Period of Insurance has consolidated assets as at its last balance date or date of its creation is less than 20% of the Revenue of the Policyholder, then cover described in Section 4.9 is automatic.

c) If the entity which is merged or acquired by the Policyholder during the Period of Insurance has consolidated assets as at its last balance date or date of its creation that are greater than 20% of the Revenue of the Policyholder then this cover is only for a maximum of 30 days from the date of the merger or acquisition (or until the Policy expires if that is sooner).

d) We may agree to extend the period specified in c) above (subject to additional premium), after receipt of a satisfactory underwriting submission in respect of the merged or acquired entity.

e) The Retroactive Date for such cover is deemed to be the date of the merger with or acquisition by the Policyholder unless We otherwise agree in writing.

4.10 Push Payment Fraud

In the event of fraudulent electronic communications or websites designed to impersonate the Insured or any of the Insured's products, first discovered by the Insured and notified to Us during the Period of Insurance, We agree to reimburse the Policyholder for:

a) the reasonable cost of creating and issuing a specific press release or establishing a specific website to advise the Insured's clients and prospective clients of the fraudulent communications; and

b) The reasonable cost of reimbursing the Insured's existing clients for their Loss arising directly from the fraudulent communications, including fraudulent invoices manipulated to impersonate the Insured but only until such time as the Policyholder has issued a press release or activated a website advising of the fraudulent website/s; and

c) the Insured's Direct Loss of Profit directly sustained following the discovery of the fraudulent communications as a direct result of the fraudulent communications; and

d) the reasonable costs and expenses associated with the removal of websites designed to impersonate the Insured.

e) The Specific Cover Limit with respect to the cover provided above is specified in the Schedule.

f) The Excess applicable to this additional coverage is specified in the Schedule

4.11 Reward Expenses Cover

a) We agree to pay Reward Expenses incurred by the Policyholder as a direct result of a Cyber Event first discovered and notified to Us in writing as soon as reasonably possible during the Period of Insurance.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this additional coverage is specified in the Schedule.

4.12 Contingent Business Interruption

a) We agree to reimburse the Insured for Contingent Business Interruption Loss sustained as a direct result of an interruption to the Insured's Business arising directly out a System Failure or Cyber Event directly impacting a Service Provider which is first discovered by the Insured and notified to Us during the Period of Insurance, provided that the Insured's Computer System's downtime lasts longer than the Time Excess.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Time Excess applicable to this additional benefit is specified in the Schedule.

4.13 Computer Crime

a) We will cover the Insured against Loss first discovered and notified to Us in writing as soon as reasonably possible during the Period of Insurance by reason of the transferring, paying or delivering any funds or property, establishing any credit, debiting any account or giving any value directly caused by Identify Theft or the fraudulent input, fraudulent destruction or fraudulent modification of Computer Records:

   i. in the Insured's Computer System; or

   ii. in the Computer System of any Service Provider; or

   iii. during electronic transmission between, stored within or being run within any of the Computer Systems in i. or ii. above, committed by any Third Party or any Employee with the clear intention of causing the Insured Loss, damage or destruction.

b) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

c) The Excess applicable to this additional benefit is specified in the Schedule.

4.14 Social Engineering Fraud

a) We will cover the Insured against Loss first discovered and notified to Us in writing as soon as reasonably possible during the Period of Insurance as a direct result of Social Engineering, Phishing or Phreaking, subject to the conditions contained in the remainder of this Section 4.14.

b) The Social Engineering, Phishing or Phreaking must be directly connected with the Insured Business and occur in connection with the Insured's Computer System.

c) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

d) The Excess applicable to this additional benefit is specified in the Schedule.

4.15 Generative Artificial Intelligence Cover

We will pay Rectification Costs incurred:

a) in repairing, restoring or replacing any of the Insured's Artificial Intelligence Systems and the Insured's Computer Records (or any other Computer Records for which the Insured is responsible) housed within the Insured's Artificial Intelligence Systems that have been destroyed, damaged, lost, altered, distorted, erased or mislaid (and which after diligent search cannot be found),

b) as a direct result of any Cyber Event, including instances of Data Poisoning, first discovered by an Insured and notified to Us in writing as soon as reasonably possible during the Period of Insurance.

c) The Specific Cover Limit with respect to the cover provided in a) above is specified in the Schedule.

d) The Excess applicable to this additional benefit is specified in the Schedule.

Section 5

Limits to the Amount of Cover

5.1 The Policy Limit

The Policy Limit applies to any one Claim or related matter the subject of cover under the Policy and, subject to this Section 5, applies in the aggregate to the total of each and every Claim or related matters covered by this Policy that occur and are notified within the Period of Insurance.

5.2 Limit if Multiple Persons and/or Entities are Covered

The Policy Limit and Specific Cover Limits do not increase if there is more than one Insured covered under this Policy, or if more than one Insured causes or contributes to any matter the subject of cover under the Policy.

5.3 Specific Cover Limits

If the Policy indicates any Specific Cover Limits for specific types of cover under this Policy, then the applicable Specific Cover Limits and not the Policy Limit applies. The Specific Cover Limits are included within, and not in addition to, the Policy Limit.

5.4 The Excess

a) We only provide cover (up to the Policy Limit or Specific Cover Limit as applicable) for that part of the Claim, Loss, liability or cost above the Excess.

b) There are different Excesses that may be applicable, depending on the matter the subject of cover under the Policy which the Insured will be required to pay.

c) The Insured will also be required to pay the relevant Excess for any costs and expenses incurred with respect to such matter if the Schedule states 'Costs inclusive'.

d) Where the Excess is indicated in the Policy as 'Costs inclusive', the amount of the Excess is exclusive (i.e. net) of any GST payable in respect of Defence Costs or similar investigation, rectification, or defence costs.

5.5 Related Claims or Losses

Individual Claims, Losses, liabilities or costs arising out of and occasioned by or attributable to:

a) one original source or cause;

b) one act, error or omission; and/or

c) a series of related acts, errors or omissions,

shall be deemed to arise out of one event and only one Policy Limit or Specific Cover Limit (as applicable) and one Excess will apply.

5.6 GST Input Tax Credits

a) Where and to the extent that We are entitled to claim an Input Tax Credit for a payment made under the Policy, then any monetary limit in the Policy on Our obligation to make such a payment, shall be deemed to be net of Our entitlement to the Input Tax Credit.

b) Where and to the extent that the Insured is entitled to claim an Input Tax Credit for a payment required to be made by the Insured as an Excess, then the amount of the Excess shall be net of the entitlement of the Insured to the Input Tax Credit.

c) Where payment is made under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any Input Tax Credit that the Insured is, or will be, entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) in relation to that acquisition, whether or not that acquisition is made.

d) Where payment is made under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any Input Tax Credit that the Insured would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) had the payment been applied to acquire such goods, services or other supply.

Section 6

Exclusions

There is no cover under this Policy for any Claim, Loss, liability, cost or matter otherwise the subject of cover under the Policy:

6.1 Known Claims and Known Circumstances

a) known by the Insured at the inception date of this Policy; or

b) based upon, directly or indirectly arising from or attributable to any Known Circumstance; or

c) disclosed in the Proposal or arising from facts or circumstances which may give rise to a Claim, Loss, liability or cost disclosed in the Proposal; or

d) if this Policy is endorsed or amended midterm, for any Claim, Loss, liability or cost that arose from a Known Circumstance (as at the effective date of the amendment/endorsement) to the extent that the Claim, Loss, liability or cost would not have been covered by the Policy before such amendment/endorsement.

6.2 Foreign Jurisdictions

subject to the 'Jurisdictional Limits' specified in the Schedule:

a) first brought in or determined pursuant to the laws of, the United States of America or Canada, or their territories or protectorates; or

b) arising out of the enforcement of judgments, orders or awards obtained in or determined pursuant to the laws of the United States of America or Canada, or their territories or protectorates; or

c) where the proper law of the United States of America or Canada, or their territories or protectorates is applied to any of the issues in any matter the subject of cover under this Policy.

6.3 Assumed Duty or Obligation

based upon, directly or indirectly arising from or attributable to:

a) a liability under a contractual warranty, guarantee or undertaking (unless such liability would have existed regardless of the contractual warranty, guarantee or undertaking); or

b) circumstances where a right of contribution or indemnity has been given up by an Insured, but only to the extent of the prejudice suffered by Us in those circumstances; or

c) circumstances where someone has done work or provided services under an arrangement or agreement with an Insured which limits any potential right for an Insured to receive contribution or indemnity, but only to the extent that We are prejudiced in those circumstances; or

d) any liability which an Insured agrees to accept in connection with the Insured Business conducted for or on behalf of the Policyholder firm or incorporated body which is more onerous than that which the Insured would otherwise have at common law, but only to the extent of the prejudice We suffer because of that agreement; or

e) any business not conducted for or on behalf of the Policyholder firm or incorporated body.

6.4 Intellectual Property Rights Infringement

arising out of the actual or alleged infringement of any Intellectual Property Right except as specifically covered under Section 3.5 of this Policy.

6.5 Breach of Professional Duty

based upon, directly or indirectly arising from or attributable to:

a) the rendering or failure to render professional services and/or professional advice to a Third Party by an Insured; or

b) a breach or alleged breach of any contract for the provision of professional services and/or professional advice to a Third Party by an Insured.

6.6 Charge Backs

as a result of any request from the Insured's acquiring bank for funds or fines as a result of fraudulent credit or debit card transactions, although this Exclusion shall not apply to any Claims covered by Section 3.1 of this Policy.

6.7 Enforcement Order

based upon, directly or indirectly arising from or attributable to any failure to respond to or comply with an Enforcement Order.

6.8 Failure or Fitness of Goods or Services

arising out of the failure to supply goods or services or the supply of goods or services of inferior quality in breach of any contractual obligation, whether expressed or implied by law.

6.9 Internet Infrastructure Failure

in respect of Sections 3.2, 3.3 and 4.12 only, based upon, directly or indirectly arising from or attributable to any failure of external networks, cables, or core internet infrastructure servers not in the Insured's control.

6.10 Satellite Failures, Electrical or Mechanical Failures

based upon, directly or indirectly arising from or attributable to any satellite failures, electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout or blackout, outages to gas, water, telephone, cable, telecommunications, or other infrastructure.

6.11 Wilful or Dishonest Acts of Principals

a) based upon, directly or indirectly arising from or attributable to any actual or alleged dishonest, fraudulent, criminal, malicious or reckless act or omission committed by any:

i. Principal; or

ii. Employees or any Third Party with the solicitation, enticement, intervention, participation, assistance, cooperation or knowledge or approval of any Principal, except in the circumstances described in Section 9.10 b), unless such Principal is a Former Principal at the time of the wilful, malicious, reckless or dishonest actor omission specified in a) above.

b) for any person committing the wilful, malicious, reckless or dishonest act or omission referred to in part a) above.

6.12 Related Parties

against an Insured brought by or on behalf of:

a) any other Insured; or

b) any company in respect of which any Insured holds (beneficially or otherwise) more than 10% of the voting shares or rights and/or an executive role; or

c) any trust in respect of which any Insured is a trustee and/or beneficiary and/or has a direct or indirect financial interest; or

d) any other person, firm or incorporated body having control of over 10% or more of the voting shares or rights or an executive role in the operation of the Policyholder.

6.13 Retroactive Limitation

arising out of any act, error omission occurring before the ‘Retroactive Date’ specified in the Schedule.

6.14 Fines, Penalties, Punitive and Exemplary damages

based upon, directly or indirectly arising from or attributable to:

a) any fines and penalties, income tax, customs duties, excise duty, stamp duty, sales tax or any other State, Territory or Federal tax or duty assessed, levied or imposed by law; or

b) punitive, aggravated or exemplary damages.

6.15 Insolvency

based upon, directly or indirectly arising from or attributable to an Insured’s or any Service Provider’s insolvency, bankruptcy or liquidation.

6.16 Pollution, Nuclear Risks, War & Terrorism, Natural Perils

based upon, directly or indirectly arising from or attributable to:

a) the Insured or anyone on behalf of or at the direction of the Insured discharging, dispersing, releasing or permitting Pollutants to escape into or upon land, the atmosphere, or any water course or body of water; or

b) ionising radiations or contamination by radioactivity from any nuclear material; or the hazardous properties of any nuclear explosive, assembly or component; or

c) war, invasion, acts of foreign enemies, civil or military uprisings, hostilities (even if war is not declared), or government power being taken unlawfully; or property being taken, damaged or destroyed by a government or public or local Authority; or

d) a Cyber Operation carried out as part of the circumstances described in c), or immediate preparation for circumstances in c); or

e) a Cyber Operation which has a major detrimental impact on the functioning, security or defence of a sovereign state due to disruption to the availability, integrity or delivery of an Essential Service in that state; or

f) any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the Loss, damage, illness, injury, death, cost or expense; or

g) any action in controlling, preventing, suppressing, retaliating against, or responding to any act of Terrorism; or

h) any natural peril or event including storm, windstorm, wildfire, bushfire, lightning, volcanic activity, hydrothermal activity, hail, tornado, cyclone, hurricane, earthquake, landslip, tsunami, flood, solar storm, freezing, weight of snow or any other force majeure.

For the purposes of this exclusion:

Cyber Operation means the use of a Computer System by, or at the direction or under the control of a sovereign state to disrupt, deny, degrade, manipulate, or destroy information in a Computer System of or in another sovereign state.

Essential Service means a service that is essential for the maintenance of vital functions of a state including, but not limited to, financial institutions and associated financial market infrastructure, health services or utility services.

6.17 Trade Debt

based upon, directly or indirectly arising from or attributable to a liability to pay trading debts or the repayment of any loan.

6.18 Profit

based upon, directly or indirectly arising from or attributable to a liability to any Loss of the Insured’s profit arising from the Loss of any client, account or business, except as specifically covered by Sections 3.3, 4.10 and 4.12 of this Policy.

6.19 Asbestos

based upon, directly or indirectly arising from or attributable to asbestos.

6.20 Bodily Injury and/or Property Damage

based upon, directly or indirectly arising from or attributable to:

a) bodily injury, psychological injury (except emotional distress, mental anguish or humiliation), sickness, disease or death of any person; or

b) destruction of or damage to Tangible Property (including the loss of use thereof), except as specifically covered by Section 3.2 of this Policy.

6.21 Government Confiscation

based upon, directly or indirectly arising from or attributable to the confiscation, commandeering, requisition, destruction of or damage to, Computer Systems by order of a government de jure or de facto, or by any public Authority for any reason.

6.22 Unfair Trade Practices

based upon, directly or indirectly arising from or attributable to any actual or alleged anti-trust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws, or false, deceptive or misleading advertising.

6.23 PCI Implementation

based upon, directly or indirectly arising from or attributable to fines or penalties attributable to the Insured's failure to comply with the Payment Card Industry Data Security Standard.

6.24 Discrimination

based upon, directly or indirectly arising from or attributable to any actual or alleged discrimination of any kind including, but not limited to, discrimination on the basis of race, colour, religion, age, sex, disability, pregnancy, marital status, political affiliations or ideology, sexual orientation or preference.

6.25 Betterment

for Rectification Costs related to updating, upgrading, enhancing or replacing an Insured's Computer System to a standard beyond that which existed prior to the occurrence of a Cyber Event.

6.26 Cryptocurrency

based upon, directly or indirectly arising from or attributable to the Loss, misplacement, destruction of, unavailability of, inaccessibility of and/or delay in trading cryptocurrencies, consisting of digital currency including coins, tokens or public and/or private keys being used in conjunction with coins or tokens.

6.27 Financial Markets

based upon, directly or indirectly arising from or attributable to the failure, interruption, degradation, or outage of securities exchanges, central counterparty clearing houses, and central securities depositories which are not under the control and management of the Insured or of a Service Provider.

6.28 Sanctions

We will not be liable to provide any cover, pay any Claim or provide any benefit under this Policy (including any refund of premium), to the extent that such cover, Claim, benefit or refund may contravene or expose Us to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations of any country.

6.29 Personal Money

for any Money, other than Money held in the Insured's bank account/s and used directly in connection with the Insured Business.

Section 7

General Terms and Conditions

7.1 Severability and Non-Imputation

For the sake of determining indemnity under this Policy:

a) the Proposal shall be construed to be a separate application for cover by the Policyholder and by each natural person covered by the Policy, and no statement or representation in or with respect to the Proposal by such person shall be imputed to any other natural person covered by the Policy; and

b) knowledge possessed by and/or conduct of one natural person covered by the Policy shall not be imputed to any other natural person who is an Insured; and

c) any knowledge possessed by and/or conduct of any past or present director, company secretary, chief executive officer, chief operating officer, chief financial officer, chief risk officer, in-house general counsel, or any person who signed the declaration or proposal form in connection with this Policy or any Policy of which this Policy is a renewal or replacement, shall be imputed to the Policyholder.

7.2 Authority to Accept Notices and to Give Instructions

The Policyholders listed in the Schedule are appointed individually and jointly as agent of each Insured in all matters relating to this Policy, and to cover provided by the Policy.

In particular (but without limitation) the Policyholders are agents for the following purposes to:

a) to pay premiums and to receive any return premiums that may become due under this Policy; and

b) accept endorsements or other notices provided for in this Policy; and

c) give instructions to solicitors or counsel that We appoint or agree to, and to receive advice from them and to act on that advice; and

d) consent to any settlement We recommend; and

e) do anything We or Our legal advisers think might help with the procedures set out in this Policy for investigating, settling and defending Claims, Losses, liabilities or costs paid for under the Policy; and

f) give Us information relevant to this Policy, which We can rely on when We decide whether to accept the risk and set the Policy terms or the premium.

7.3 Payment in Australian Dollars

All premiums and Claims, Losses, liabilities or costs or matters the subject of cover under the Policy and the Excess must be paid in Australian dollars.

7.4 Law of the Policy

This Policy is governed by the law of the Territory or State where the Policy was issued, which is stated in the Schedule. The courts of that place have exclusive jurisdiction in any dispute about or in connection with this Policy.

7.5 Territory Covered by this Policy

The cover provided by this Policy extends to acts, errors or omissions occurring anywhere in the world.

7.6 Schedule Must be Included

This Policy is only legally enforceable if it includes a Schedule signed by one of Our officers.

7.7 The Insured's Duty to Comply with Additional Conditions

If We attach any additional conditions to the Insured's Policy regarding any risk survey or risk management timetable or any other conditions, then it is a condition of this Policy that these conditions are complied with by the deadlines shown.

7.8 The Policyholder Can Cancel the Policy

The Policyholder is entitled to cancel this Policy from the date We receive a written request to cancel the Policy, provided that any such cancellation is subject to the following terms: Subject to section 1019B of the Corporations Act 2001 (Cth), We will be entitled to retain premium for pro-rata 'time on risk' plus applicable statutory charges and the administration fee referred to in Section 2.1.

7.9 We Can Cancel the Policy

a) We may cancel this Policy at any time in accordance with the *Insurance Contracts Act 1984* (Cth), by giving notice in writing to the Policyholder of the date from which cancellation is to take effect.

b) We may deliver this notice to the Policyholder personally, or by post (to the Policyholder's broker or to the address the Policyholder last gave Us). Proof that We mailed the notice is sufficient proof that the Policyholder received the notice.

c) After cancellation pursuant to a) above, We will refund the premium for the time remaining on the Policy, less any non-refundable duties and the administration fee referred to in Section 2.1.

7.10 Address for Giving Notices

Any notice required to be given under this Policy to Us shall be validly and lawfully given if it is given to Us in writing at the following email addresses:

a) For Claims: cylocyber@crawco.com.au

b) For any other purpose: contact@cylo.ai

7.11 Other Insurance

Where permitted by *the Insurance Contracts Act 1984* (Cth), this Policy shall apply in excess of and shall not contribute to any Policy arranged by any other party which has been endorsed to name the Insured as a beneficiary of cover under that Policy and where the Insured is a non-contracting party to that Policy.

Section 8

Investigations, Defence and Settlement of Claims

The Insured has certain responsibilities that are set out in this section and in the Policy. These responsibilities also apply to any person that is covered by the Policy.

If the Insured does not meet these responsibilities, We may refuse to pay a Claim or reduce cover under the Policy. We may also decide to cancel the Policy if permitted in accordance with the provisions of the *Insurance Contracts Act 1984* (Cth).

The course of action We take when the Insured fails to do any of these things will be considered in each circumstance based on what impact or effect the Insured's failure to do so caused or contributed to the Claim or changes Our liability under the Policy.

8.1 We Must be Told About Claims

The Insured must tell Us in writing about every Claim or Loss, or facts that might give rise to a Claim made against the Insured, as soon as reasonably possible during the Period of Insurance. If this is not done an Insured's right to indemnity under this Policy may be affected.

8.2 Insured's Co-operation

Each Insured must:

a) diligently do, and allow to be done, everything reasonably practicable to avoid or lessen an Insured's liability or any Loss or cost in relation to any matter the subject of cover under the Policy; and

b) as soon as reasonably possible, give Us all assistance and information that We reasonably require to:

   i. investigate, prosecute, defend or settle any such matter; and

   ii. determine Our liability under this Policy.

We will only request information and assistance relevant to handling any such matter and will explain why the information and assistance is required.

8.3 An Insured Must Not Admit Liability for or Settle Any Claim

An Insured must not:

a) admit liability for, or settle, make any offer, promise or payment in connection with any matter notified under this Policy; or

b) incur any costs or expenses for any matter notified under this Policy,

without first obtaining Our consent in writing (which shall not be unreasonably delayed or withheld). If Our prior written consent is not obtained, the Insured's right to cover under this Policy may be affected.

8.4 We Can Protect Our Position

When We receive a notification of any matter under this Policy, then We can take whatever action We consider appropriate to protect Our position or the Insured's position in respect of any such matter.

Any such action We take does not, however:

a) indicate that any Insured is entitled to be covered under this Policy; or

b) prejudice Our rights under the Policy or at law.

8.5 We Can Manage the Claim

We:

a) can assume conduct of and defend or settle in the Insured's name any matter notified under this Policy;

b) subject to Section 5.4 of the Policy, have the duty, where We have confirmed cover and the Insured so requests, to conduct the investigation, defence of or settlement of any matter notified under this Policy in the Insured's name; and

c) can take any action, in the Insured's name, to pursue any right any Insured may have for contribution or indemnity.

We will act reasonably in exercising Our discretion in the conduct of any legal proceedings and in the settlement of any Claim while We conduct recovery action. We will keep the Insured reasonably informed and updated with the progress of proceedings.

8.6 Disclosure of Information to Us in Respect of Cover

The Insured shall share confidential and privileged information with Us and with Our legal advisers who We appoint about any matter notified to Us under the Policy.

We have a common interest with the Insured and with appointed legal advisers in the investigation, defence and settlement of any matter notified to Us under the Policy (Common Interest).

All confidential information provided to Us (including information which is subject to legal professional privilege), and/or to the legal advisers We appoint, by or on behalf of the Insured, which the Insured hereby irrevocably consents to appointed legal advisers providing to Us, is so provided on the basis that:

a) subject to point c) below, the information is provided to Us for that Common Interest purpose, is to be kept confidential and will not be further disclosed without the written consent of the Insured; and

b) in respect of confidential information, which is subject to legal professional privilege, the Insured does not waive legal professional privilege; and

c) the information may be disclosed by Us to Our legal advisers and reinsurers on the basis that the above conditions apply to those persons' use of such information.

8.7 Policyholder's Right to Contest

If the Policyholder elects not to consent to a settlement that We recommend and wants to contest or continue the dispute or legal proceedings, then We only provide cover (subject to the Policy Limit or Specific Cover Limit as applicable) for:

a) the amount We could have settled the matter for; less

b) any applicable Excess; plus

c) the fees, costs and expenses incurred up to the date the Policyholder elected not to consent to the settlement.

8.8 Senior Counsel

a) Unless a Senior Counsel, that We instruct, advises (which advice shall be provided as an expert and not as an arbitrator) that a matter notified under the Policy (which We have agreed to cover), should be contested, neither We nor the Policyholder can require the other to contest any legal proceedings about such matter if the other does not agree to do so.

b) In formulating the advice, Senior Counsel must be instructed to consider:

   i. the economics of the matter, having regard to but not limited to, the:

      1. the damages and costs likely to be recovered; and

      2. the likely costs of defence; and

   ii. the Insured's prospects of successfully defending the matter.

c) We will pay for the cost of Senior Counsel's opinion.

d) If Senior Counsel advises that the matter should be, or is appropriate to be settled and if the terms of settlement which We recommend are within limits which are reasonable (in Senior Counsel's opinion and in the light of the matters they are required to consider), then the Policyholder:

   i. cannot (subject to Section 8.7) object to the settlement; and

   ii. will be required to pay any applicable Excess as soon as reasonably possible.

8.9 Costs and Expenses

a) Any fees, costs or expenses incurred by Us (other than to determine Our liability under this Policy) in investigating, defending and settling any matter notified under the Policy (in respect of which We ultimately confirm cover) will form part of the fees, costs and expenses as otherwise covered by this Policy.

b) Any amount paid by Us in settlement of a dispute the subject of a matter notified under the Policy, shall be deemed for all purposes of the Policy to be a payment made under the Policy.

8.10 Allocation

a) To the extent that any matter notified under the Policy comprises covered matters and uncovered matters, We will use best endeavours to agree a fair allocation between covered matters and uncovered matters having regard to the relative legal and financial exposure attributable to the covered matters and uncovered matters.

b) This allocation will also apply to the reasonable and necessary legal fees and other professional fees, costs and expenses (other than regular or overtime wages, salaries or fees of any natural person covered by the Policy, office overheads, travel costs unrelated to the cover provided by the Policy, or other administration costs of the Policyholder) incurred by the Insured with Our prior written consent (which We will not unreasonably withhold) in respect of any matter notified under the Policy (in respect of which We ultimately confirm cover).

c) Any dispute between Us and the Policyholder on the allocation, will be resolved by obtaining Senior Counsel's opinion (which opinion shall be provided as an expert and not as an arbitrator).

d) The Senior Counsel that is instructed will be mutually agreed upon by the Policyholder and Us and, in the absence of agreement, as appointed by the President of the Bar Association in the state or territory of the first address for the Policyholder listed in the Schedule or if no address is shown there, as shown on the Proposal and whose fee shall for the purpose of this Policy be regarded as part of the fees costs and expenses specified in b) above.

e) Any allocation determined by Senior Counsel will apply retrospectively to the fees, costs and expenses specified in b) above, paid by Us or the Policyholder notwithstanding any prior payment on a different basis.

8.11 Subrogation and Recoveries

a) In the event of any payment by Us in respect of a matter notified under this Policy, all rights of an Insured to recover thereof are subrogated to Us to the extent such payment, and the Insured shall execute all documents reasonably required in connection with the conduct of proceedings and do everything that may be reasonably necessary in connection with the conduct of proceedings to enable Us to effectively bring suit in the name of the Insured. We will act reasonably in exercising Our discretion in the conduct of any legal proceedings and in the settlement of any Claim while We conduct any recovery action. We will keep the Insured reasonably informed and updated with the progress of proceedings.

b) We shall not exercise these rights against any natural person who is an Insured unless:

   i. the recovery is in respect of any applicable Excess; or

ii. such payment specified in a) above arose from the dishonest, fraudulent, criminal or malicious acts or omissions of such natural person.

iii. Recoveries with respect to any matter notified under the Policy (which We have covered) shall be distributed as follows:

iv. first, to Us for the amount of the liability, Loss or cost covered by the Policy, paid to or on behalf of the Insured;

v. second, to the Insured for any applicable Excess; and

vi. third, to the Insured for the amount otherwise covered by the Policy, but which is in excess of the Policy Limit.

8.12 Loss Prevention

The Insured shall, as a condition to cover under this Policy, take all reasonable steps to prevent any act, error, omission or circumstance which may cause or contribute to any matter which may be covered under this Policy.

Section 9

Words With Special Meaning

9.1 Artificial Intelligence Systems

means an engineered system (including any hardware or software) that generates outputs for a given set of human-defined objectives, that is owned and operated by the Insured for explicit or implicit objectives, directly utilised in relation to the conduct of the Insured's Business as covered by this Policy.

9.2 Authority

means any official regulator, government body or government agency having legal authority to conduct a Regulatory Investigation.

9.3 Business Interruption Loss

means the lesser of the amount:

a) shown in the Schedule; or

b) the Direct Loss of Profit. This amount shall be determined by Us based on an analysis of the gross profit generated and costs incurred to generate such gross profit during each month of the 12 months prior to the Insured's Cyber Event and taking into account reasonable projection of future Revenue and costs and all material changes occurring in market conditions which would affect the future gross profit and costs generated, less any savings and any delayed Revenue resulting from customers waiting for the restoration of the Insured's Computer Systems, had no Cyber Event directly impacting the Insured occurred.

Where the Insured has not completed the first year's trading, this amount shall be determined by Us based on an analysis of the gross profit generated and costs incurred to generate such gross profit during each month from the commencement of the Insured's Business prior to the Cyber Event directly impacting the Insured and taking into account reasonable projection of future gross profit and costs and all material changes in market condition which would affect the future gross profit and costs generated, less any savings, had no Cyber Event directly impacting the Insured occurred.

The Business Interruption Loss will not exceed the Outage Period.

Reasonable projections of future Revenue, for the avoidance of any doubt, may include calculations directly resulting from the loss of current or future clients caused by damage to the Insured's reputation, during the Reputational Harm Period, as a result of a Cyber Event directly impacting the Insured first discovered during the Period of Insurance.

9.4 Claim

means:

a) the receipt by an Insured of any written demand for money or damages, or non-pecuniary relief; or

b) any writ, summons, application or other originating legal (criminal, civil or otherwise) or arbitral proceedings, cross claim or counter-claim which is served upon an Insured.

9.5 Commercially Confidential Information

means any information other than Personal Information:

a) which is not in the public domain or publicly available; and

b) where disclosure may undermine the economic interest or competitive position of the owner of the information.

9.6 Computer Records

means electronically stored data including magnetic tape, software or computer programs for or in respect of a Computer System used in the course of the conduct of the Insured Business.

9.7 Computer System

means all electronic computers including operating systems, software, hardware, firmware and all communication and open system networks, websites wheresoever hosted, off-line media libraries and data backups used in the course of the conduct of the Insured Business.

9.8 Contingent Business Interruption Loss

means the lesser of the amount:

a) shown in the Schedule; or

b) the Direct Loss of Profit. This amount shall be determined by Us based on an analysis of the gross profit generated and costs incurred to generate such gross profit during each month of the 12 months prior to the Cyber Event of System Failure and taking into account reasonable projection of future Revenue and costs and all material changes occurring in market conditions which would affect the future gross profit and costs generated, less any savings and any delayed revenue resulting from customers waiting for the restoration of the Insured's Computer Systems, had no Cyber Event or System Failure occurred.

Where the Insured has not completed the first year's trading, this amount shall be determined by Us based on an analysis of the gross profit generated and costs incurred to generate such gross profit during each month from the commencement of the Insured's Business prior to the Cyber Event or System Failure directly impacting the Insured and taking into account a reasonable projection of future gross profit and costs and all material changes in market conditions which would affect the future gross profit and costs generated, less any savings, had no Cyber Event or System Failure directly impacting the Insured occurred.

The Contingent Business Interruption Loss will not exceed the Outage Period.

Reasonable projections of future Revenue, for the avoidance of any doubt, may include calculations directly resulting from the loss of current or future clients caused by damage to the Insured's reputation, during the Reputational Harm Period, as a result of a Cyber Event or System Failure first discovered during the Period of Insurance.

9.9 Cryptojacking

means the unauthorised use of the Insured's Computer Systems by a Third Party for the sole purpose of cryptocurrency mining activities.

9.10 Cyber Event

means any:

a) Hacking Attack or Virus;

b) malicious damage to the Insured's or a Service Provider's Computer Systems by an Employee; or

c) failure of a Service Provider hosting the Insured's Computer Systems as a direct result of a) or b) above.

9.11 Cyber Extortion Costs

means:

a) any monies (including cryptocurrency or virtual currencies) paid by or on behalf of the Insured in accordance with applicable laws and with Our prior written consent (which shall not be unreasonably delayed or withheld);

b) reasonable and necessary fees, costs and expenses that We incur or the Insured incurs with Our prior written consent (which shall not be unreasonably delayed or withheld)

   i. in negotiating, mediating and crisis managing to terminate or end a Security Threat that might otherwise result in harm to the Insured;

   ii. to conduct an investigation to determine the cause of a Security Threat; or

   iii. to conduct any due diligence required in relation to any payment (including jointly with Us).

9.12 Data Poisoning

means the wilful, reckless and/or malicious contamination of Computer Records to compromise the performance of Artificial Intelligence Systems.

9.13 Direct Loss of Profit

means your income that, had the circumstances which gave rise to the Business Interruption Loss or Contingent Business Interruption Loss had not occurred, would have been generated directly from your business operations (less sales tax) during the indemnity period or reputation harm period less:

a) actual income (less sales tax) generated directly from your business operations during the indemnity period or reputation harm period; and

b) any cost savings achieved as a direct result of the reduction to income.

9.14 Defence Costs

means all reasonable and necessary legal fees, costs and expenses (including any expert costs where the choice of expert has been approved by Us) that We incur or the Insured incurs with Our prior written consent (which shall not be unreasonably delayed or withheld) in the investigation, defence or settlement of any Claim made against the Insured.

9.15 Electronic Commerce

means the transacting, disseminating or enabling the marketing, buying, selling or distribution of goods, services or information through the internet, the world wide web, private networks, intranets, extranets, wireless application protocol, email or instant messaging systems.

9.16 Employee

means a natural person who is not a Principal, but who is or was, at the time the relevant act, error or omission occurred, a person who:

a) had entered into a contract of service with the Insured firm or incorporated body and is or was remunerated by the Insured for that service; or

b) is neither a party to a contract of service with the Insured, nor an independent contractor, but a party to a contract for service with the Insured for the provision of services to or on behalf of the Policyholder for reward; or

c) a volunteer worker or student, and in respect of a), b) and c) above is under the Insured's direction, control and supervision in the conduct of the Insured Business.

9.17 Enforcement Order

means a notice or order from any data protection Authority, government Authority, regulator, Court, Tribunal or other public body authorised to investigate, prosecute or otherwise enforce applicable laws or regulations relating to the collection, storage or processing of Computer Records, requiring the Insured to:

a) confirm compliance with any data protection and/or privacy law or regulation;

b) take specific measures to comply with any data protection and/or privacy law or regulation; or

c) refrain from processing any specified Computer Records or using any specified Computer System.

9.18 Excess

means the amount the Insured may be required to contribute towards each Claim. It is described in more detail in Section 5.4.

9.19 Fine or Penalty

means a monetary fine or penalty payable by an Insured to an Authority.

'Fine or Penalty' does not include any amounts payable or calculated by reference to:

a) compensation;

b) compliance, remedial, reparation or restitution costs;

c) exemplary or punitive damages;

d) any consequential economic loss, meaning We will not pay for any direct or indirect financial or economic loss including, but not limited to, loss of reputation, loss of use or enjoyment, loss of profits or depreciation, except if specifically covered by this Policy;

e) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue charge or impost; and

f) any fine or penalty the insurance of which is prohibited at law.

9.20 Former Principal

means a person who has been, but is no longer:

a) Principal of a Policyholder; or

b) the Principal of any corporate entities through which the Policyholder previously traded, in the course of the conduct of the Insured Business.

9.21 Hacking Attack

means any malicious or unauthorised electronic attack including, but not limited to, any fraudulent electronic signature, brute force attack, Phishing, Phreaking, denial of service attack, Cryptojacking initiated by any Third Party or by any Employee and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of the Insured's Computer Systems or Insured's Computer Records.

9.22 Outage Period

means the period starting from the Insured's first discovery of the downtime of the Insured's Computer Systems and ending after the expiry of 365 days, or upon the restoration of the Insured's Computer Systems to enable normal business operations, whichever is sooner.

9.23 Identity Theft

means the unauthorised use of the identity of an Insured whose Computer Records have been accessed as a result of a Hacking Attack.

9.24 Insured

means:

a) the Policyholder; and

b) any Subsidiary of the Policyholder; and

c) any person who is or becomes, during the Period of Insurance, a Principal or Employee of the Policyholder; and

d) any Principal, Former Principal or Employee of the Policyholder

9.25 Insured Business

means the 'Insured Business' specified in the Schedule conducted by or on behalf of the Insured.

9.26 Intellectual Property Right

means any intellectual property right including but not limited to trademarks, trade secrets, broadcasting rights, domain names, commercial title or slogan, commercial extortion, metatags and copyrights.

'Intellectual Property Right' does not include any patent, trade secret or confidential information that came into the possession of any person prior to the date such person became an Employee or Principal of the Insured.

9.27 Internet and Email Content

means any text, images, video, interactive content or advertising material:

a) published on the Insured's website, social media or mobile applications or published on behalf of the Insured but, only in connection with the Insured's Business; or

b) published on a Third Party's website, social media or mobile applications; or

c) contained within an email sent by an Insured.

9.28 IT Services

means any of the following: operation, processing, maintenance, protection or storage of the Insured's hardware, infrastructure, Computer Records or Computer Systems, including IT cloud services, payment platforms or any other IaaS, PaaS, NaaS and SaaS used directly in connection with the Insured Business.

'IT Services' does not include any of the following services provided by Third Parties:

a) telecommunication services;

b) internet services;

c) satellite services;

d) cable services; or

e) electricity, gas or water services.

9.29 Known Circumstance

means any fact, situation or circumstance which:

a) an Insured was aware of at any time before the Period of Insurance or any relevant amendment or endorsement of the Policy; or

b) a reasonable person in the Insured's position would have thought, at any time before the Period of Insurance or before any relevant amendment or endorsement of the Policy,

might result in someone making an allegation against an Insured in respect of a liability, Loss or costs or other matters that might be covered by this Policy or by any amendment or endorsement to this Policy.

9.30 Loss

means direct loss of Money sustained by the Insured.

For the purposes of section 4.9 only, Loss includes the loss of Money sustained by the Insured's clients.

'Loss' does not include consequential loss. This means that 'Loss' does not include direct or indirect financial or economic loss, for example loss of profits, loss of income or loss of bargain.

9.31 Money

means any physical or electronic legally acceptable currency (excluding cryptocurrency or digital currencies), coins or bank notes of a generally accepted value.

9.32 Period of Insurance

means the 'Period of Insurance' stated in the Schedule.

9.33 Personal Information

means any information relating to an individual who can be identified, directly or indirectly, in relation to other information (such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that individual), as defined by applicable data protection laws.

9.34 Phishing

means the fraudulent use of electronic communications or websites to impersonate the Insured or its products or services for the purpose of soliciting Personal Information or Commercially Confidential Information about the Insured's clients.

9.35 Phreaking

means the unauthorised and malicious use of the Insured's telephone system which results in authorised charges or bandwidth costs which the Insured is legally liable to pay, but only to the extent that telephone system is used in connection with the Insured's Business.

9.36 Policy

means:

a) all the terms, conditions and exclusions contained herein;

b) the Schedule; and

c) any endorsements attaching to and forming part of this policy document, either at inception or during the Period of Insurance.

9.37 Policy Limit

means the 'Policy Limit' specified in the Schedule which shall be Our maximum liability, in the aggregate, payable under this Policy in accordance with Sections 5.1 and 5.5, and subject to the terms, conditions and exclusions of this Policy.

9.38 Policyholder

means each of the following, individually and jointly:

a) each person, firm or incorporated body identified in the Schedule as the 'Policyholder', each Principal of any such firm or incorporated body; and

b) any entity which is engaged in the conduct of Insured Business and which is created and controlled, during the Period of Insurance, by anyone identified in the Schedule as 'The Policyholder'; and

c) anyone who becomes a Principal of the 'The Policyholder' identified in the Schedule, during the Period of Insurance (but only in respect of the conduct of the Insured Business for or on behalf of 'The Policyholder' identified in the Schedule).

9.39 Pollutant

means any solid, liquid, gases or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkali, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

9.40 Principal

means a sole practitioner, a partner of a firm, or a director of a company, which practitioner, firm or company is covered by this Policy.

9.41 Privacy Breach Costs

means reasonable and necessary fees, costs and expenses that We incur or the Policyholder incurs with Our prior written consent (which shall not be unreasonably delayed or withheld) required to be incurred in respect of any Privacy Obligations to:

a) fulfill any legal or regulatory obligation the Policyholder has to notify Third Parties of an actual or suspected breach of privacy in relation to any Personal Information; or

b) engaging a credit monitoring service or establishing an identity theft helpline; or

c) provide call centre support services; or

d) conduct an independent audit of the Policyholder's Computer Systems to identify the source of such privacy breach; or

e) provide translation services to manage communications with Third Parties.

However, 'Privacy Breach Costs' does not include any sums paid which constitute taxes, fines, penalties, injunctions or sanctions.

9.42 Privacy Obligations

means the Insured's legal obligations arising directly from:

a) any privacy statement governing the handling of information on the Insured's Computer Systems; or

b) any written contract between the Insured and a Third Party governing the processing and storage of credit card information on the Insured's Computer Systems; or

c) any implied contractual duty to use reasonable care and skill in the handling of Personal Information or credit card information (including breaches of the Payment Card Industry Data Security Standard); orany legal obligation to notify individuals of an actual or potential breach of their Personal Information; orstatutory data protection regulations in the country or countries where the Insured operates,including industry specific data protection and security regulations as they currently exist and as amended.

9.43 Promotional Material

means any marketing materials or tangible goods produced by or on behalf of the Insured for the purpose of marketing the Insured Business.

9.44 Proposal

means the completed risk assessment form together with any supplementary material completed by or on behalf of the Insured, that was given to Us, and relied on by Us to effect this Policy.

9.45 Public Relations Costs

means reasonable and necessary fees, costs and expenses that We incur or the Insured incurs with Our prior written consent (which shall not be unreasonably delayed or withheld) as a result of the use of external public relations consultants appointed by Us.

For the avoidance of doubt, ‘Public Relations Costs’ does not include the basic salaries of Employees or the Policyholder’s office expenses or any payments that the Policyholder has paid or agreed to pay as part of any service or maintenance contract.

9.46 Rectification Costs

means reasonable and necessary fees, costs and expenses that We incur or the Insured incurs with Our prior written consent (which shall not be unreasonably delayed or withheld) as a result of the use of external consultants, contractors or advisers including but not limited to forensic or security consultants or any additional costs that the Insured incurs to pay its Employees.

For the avoidance of doubt, ‘Rectification Costs’ does not include the basic salaries of Employees or the Insured’s office expenses or any payments that the Insured has paid or agreed to pay as part of any service or maintenance contract.

9.47 Regulatory Investigation

means any formal or official civil examination, investigation, inquiry, hearing or other civil proceedings ordered or commissioned by any Authority into the Privacy Obligations of the Insured during the Period of Insurance:

a) requiring attendance before or the production of documents by the Insured to the Authority; or

b) requiring questions to be answered by the Policyholder to the Authority; or

c) identifying the Insured in writing as a target of an examination, investigation, inquiry, hearing or other proceeding by an Authority.

A ‘Regulatory Investigation’ shall be deemed to be first made when the Insured is first required to respond and/or attend or is so identified as a target of the Regulatory Investigation.

‘Regulatory Investigation’ does not include any routine inspection, supervision, compliance or similar reviews or general industry wide violation reviews of the Insured.

9.48 Regulatory Investigation Costs

means reasonable and necessary fees, costs and expenses that We incur or the Insured incurs with Our prior written consent (which shall not be unreasonably delayed or withheld) with respect to a Fine or Penalty or Regulatory Investigation.

9.49 Reputational Harm Period

means the period starting from when the Insured’s Computer System has been restored to enable normal business functions following a Cyber Event or System Failure and lasting for the period stated as the Reputational Harm Period in the Schedule However, the Reputational Harm Period shall not extend the Outage Period beyond a period of 365 days.

9.50 Revenue

means the amount of net profit or loss before income taxes which would have been earned or incurred had no Cyber Event occurred or in relation to Section 4.12 only, had no System Failure or Cyber Event occurred.

9.51 Reward Expenses

means reasonable and necessary Money paid by Us or by the Insured with Our prior written consent (which shall not be unreasonably delayed or withheld) to a Third Party (other than a law enforcement professional or Authority) for information leading to a conviction of an indictable offence arising out of a Hacking Attack covered by this Policy.

9.52 Schedule

means the ‘Schedule’ attached to this Policy or any schedule subsequently substituted during the Period of Insurance and duly signed by one of Our officers.

9.53 Security Threat

means any expressed and documented threat or connected series of threats made to:

a) commit a local, cross border or multi-country attack against the Insured’s Computer System; or

b) reveal the Insured’s Commercially Confidential Information or Commercially Confidential Information for which they are responsible,

for the purpose of demanding Money, securities or tangible or intangible property of value from the Insured.

9.54 Service Provider

means any Third Party that provides IT Services directly to the Insured under a written contract and for reward.

9.55 Social Engineering Fraud

means:

a) the impersonation of an Employee, Principal, pre-existing client or pre-existing supplier of the Insured by a Third Party; or

the impersonation of an Insured by a Third Party,which prompts the Insured to transfer Tangible Property to that Third Party or any other person or entity, or instruct a financial institution to debit, pay, deliver or transfer Money or securities from an account maintained by the Insured to that Third Party or any person or entity. It includes a Third Party acting in collusion with an Employee or Principal to create the impersonation provided that the individual or individuals issuing the instruction were not a party to the collusion.

9.56 Specific Cover Limit

means the limit of Our insurance cover for each of the matters listed in the Schedule under 'Specific Cover Limits' or in Sections 3 or 4 of this Policy.

9.57 Subsidiary

means any company or other incorporated entity with the conduct of substantially the same type of Insured Business as listed in the Schedule, which at the commencement of the Period of Insurance in which the Policyholder holds more than 50% of the voting rights of that organisation or has the ability to control decisions made by the board of Directors (whether directly or indirectly) or is either directly, or indirectly a subsidiary of any incorporated body identified in the Schedule as the Policyholder. This definition also includes any undertaking (regardless of what it is called) which the Policyholder carries on together with someone else who is not otherwise Covered under this Policy.

9.58 System Failure

means an interruption to the Insured Business directly arising from any sudden, unexpected and continuous outage of the Insured's Computer Systems caused by an interruption in IT Services which renders them incapable of supporting their normal business function and is not caused by, any damage to or loss of a Service Provider's data, the use of unlicensed or past end-of-life software, arising from a commercial dispute, any planned outage, defects in software or hardware, failure to renew domain names or software licences, a failure to pay for services or a refusal to deliver services paid for by the Insured.

9.59 Tangible Property

means items or objects that can be felt or touched. Tangible Property does not include:

a) Computer Records**;**

b) any form of intellectual property, including trade secrets; or

c) Money, securities or digital currency.

The value of any covered Tangible Property will be the reasonable cost to replace such Tangible Property with property of comparable material and quality. The replacement cost value for any Tangible Property does not include any profit or mark-up you are unable to collect as a result of the loss of Tangible Property.

9.60 Terrorism

means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

a) involves violence against one or more persons; or

b) involves damage to property; or

c) endangers life other than that of the person committing the action; or

d) creates a risk to health or safety of the public or a section of the public; or

e) is designed to interfere with or to disrupt an electronic system.

9.61 Third Party

any person, partnership, company, corporation, incorporated society or other body corporate or entity who is not an Insured.

9.62 Time Excess

means the number of hours that must elapse from the time you begin to incur a Business Interruption Loss or Contingent Business Interruption Loss, as stated in the Schedule, before any Business Interruption Loss or Contingent Business Interruption Loss will be calculated.

9.63 Virus

means any software code including but not limited to any logic bomb, Trojan horse or worm that has been introduced by any Third Parties or by any Employees and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of the Insured's Computer Systems or Insured's Computer Records.

9.64 We or Us or Our or Cylo

means Cylo Australia Pty Limited ABN 29 666 378 909 Authorised Rep No. 001303389 (Cylo), an authorised representative of IAG Agencies Pty Limited, ABN 11 147 749 139 AFSL 471282. Cylo acts as agent of the issuer CGU Australia Pty Ltd ABN 62 004 478 960 AFSL 700014.

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