



CHUNG KUO Digital Business and Data Protection Insurance

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106 年 8 月 18 日兆產備字第 1064300668 號函備查

1. Insuring Clauses

In consideration of the payment of the premium the Insurer and the Policyholder agree as follows:

A) Third Party Liability

1.1 Privacy and Confidentiality Breach Cover

The Insurer will pay to or on behalf of an Insured all Damages and Defence Costs arising from a Claim first made against an Insured, or an Outsourced Service Provider, during the Insurance Period or the Discovery Period, if applicable, for a Privacy Breach or Confidentiality Breach.

1.2 Network Security Cover

The Insurer will pay to or on behalf of an Insured all Damages and Defence Costs arising from a Claim first made against an Insured during the Insurance Period or the Discovery Period, if applicable, for a Security Wrongful Act.

1.3 Media Liability Cover

The Insurer will pay to or on behalf of an Insured all Damages and Defence Costs arising from a Claim first made against the Insured during the Insurance Period or the Discovery Period, if applicable, for a Media Wrongful Act.

This coverage is subject to a sublimit as specified in Item 6.a. of the Schedule.

1.4 Regulatory Costs and Fines Cover

The Insurer will pay to or on behalf of an Insured all Fines and Penalties and Defence Costs arising from a Claim by a Regulator first made against an Insured during the Insurance Period or the Discovery Period, if applicable, for a Privacy Breach or Confidentiality Breach.

Coverage for Fines and Penalties is subject to a sublimit as specified in Item 6.b. of the Schedule.

1.5 Internal Investigation Cover

The Insurer will pay to or on behalf of an Insured all Defence Costs arising from an internal investigation or enquiry first commenced during the Insurance Period

or the Discovery Period, if applicable, by or on behalf of the Company into the affairs of an Insured in its capacity as such:

- (a) in response to a direct request from a Regulator; or
 - (b) to assess whether a Self Report is required or advised or in preparation of or following a Self Report,
- which arises out of a Privacy Breach or Confidentiality Breach.

1.6 Consumer Redress Fund Cover

The Insurer will pay to or on behalf of an Insured all sums of money the Insured is legally required to deposit in a fund for the payment of consumer claims, excluding any criminal fines or penalties, arising from a Claim or internal investigation covered under Insuring Clauses 1.4 or 1.5.

1.7 Payment Card Industry Data Security Standards (PCIDSS) Cover

The Insurer will pay to or on behalf of an Insured all Damages, Defence Costs and any sums of money incurred by and enforced against the Insured as a penalty pursuant to a written contract arising from a Claim first made against an Insured during the Insurance Period or the Discovery Period, if applicable, by an E-Payment Service Provider for breach of any Payment Card Industry Data Security Standards.

This coverage is subject to a sublimit as specified in Item 6.c. of the Schedule.

B) Business Interruption

1.8 Business Interruption Loss Cover

The Insurer will pay to the Insured the Business Interruption Loss incurred within the Indemnity Period as a direct result of the total or partial unavailability of the Company's Computer System, which is first Discovered during the Insurance Period and which is caused by a Business Interruption Event. Cover is only provided where the duration of the unavailability of the Company's Computer System exceeds the Waiting Period, in which case Business Interruption Loss will include amounts incurred during the Waiting Period.

C) Crisis Management

1.9 Crisis Management Costs Cover

The Insurer will pay to or on behalf of an Insured:

- (a) Forensic Costs

the reasonable and necessary fees and expenses of an IT Expert, directly arising out of any actual, alleged or suspected Privacy Breach, Confidentiality Breach, Cyber Attack or Business Interruption Event first Discovered during the Insurance Period to analyse the Company's Computer System in order to ascertain whether a Privacy Breach, Confidentiality Breach or Cyber Attack has occurred, the cause and extent of such Privacy Breach, Confidentiality Breach or Cyber Attack and how it can

be mitigated;

(b) Data Breach Response Costs

the reasonable and necessary fees and expenses of an IT Expert or other external expert or service provider incurred by the Insured, with the prior written consent of the Insurer, directly arising out of any actual, alleged or suspected Privacy Breach or Confidentiality Breach first Discovered during the Insurance Period:

(i) Data Identification and Preservation Costs

to identify and preserve relevant electronic data on the Company's Computer System;

(ii) Legal and Regulatory Advice Costs

to advise the Insured on its legal and regulatory duties to report such Privacy Breach or Confidentiality Breach to any data subject, Third Party or Regulator;

(iii) Notification Costs

to make notifications of such Privacy Breach or Confidentiality Breach to any data subject, Third Party or Regulator according to legal and regulatory duties;

(iv) Third Party Indemnification Advice Costs

to determine the extent of any relevant indemnification obligations contained in any written contract between the Insured and any third party service provider;

(v) Call Centre Costs

to operate a call centre for the benefit of affected data subjects and Third Parties;

(vi) Account and Credit Monitoring Costs

to establish and procure for the affected data subjects and Third Parties:

(A) new account numbers; and

(B) credit monitoring services for a period of up to 12 months following the Privacy Breach or Confidentiality Breach; and

(vii) Other Costs

to comply with any other legal requirement owed by the Insured to affected data subjects and Third Parties;

(c) Loss Adjustor Costs

the reasonable and necessary fees and expenses of an IT Expert or other external expert incurred by the Insured, subject to the sublimit as specified in Item 6.d. of the Schedule, to determine the amount and the extent of a covered Loss; and

(d) Reputation Advice Costs

the reasonable and necessary costs incurred by the Insured, with the prior written consent of the Insurer and subject to the sublimit as specified in Item 6.e. of the Schedule, in retaining one of the consultants named in Item 13 of the Schedule or any other crisis communications consultant appointed by the Insured with the prior written consent of the Insurer, to prevent or reduce the effects of negative publicity which the Insured reasonably believes arises from an event covered under this Policy.

D) First Party Loss

1.10 Hacker Theft Cover

The Insurer will indemnify the Insured for loss of Funds wrongfully or erroneously paid by the Insured as a direct result of a Cyber Attack by a Third Party committed without collaboration with any Insured, which is first Discovered during the Insurance Period.

This coverage is subject to a sublimit as specified in Item 6.f. of the Schedule.

1.11 Cyber Extortion Cover

The Insurer will pay to or on behalf of an Insured the Cyber Extortion Loss that the Insured incurs as a result of a Cyber Extortion Threat first Discovered during the Insurance Period.

As a condition for payment under this cover the Insured will:

- (a) keep the terms and conditions of this Cyber Extortion Cover confidential, unless disclosure to law enforcement authorities is required;
- (b) take all reasonable steps to notify and cooperate with the appropriate law enforcement authorities; and
- (c) take all reasonable steps (including the involvement of a security consultant) with the Insurer's prior written consent, to mitigate the Cyber Extortion Loss.

This coverage is subject to a sublimit as specified in Item 6.g. of the Schedule.

2. Extensions

2.1 Discovery Period

In the event this Policy is neither renewed, for reasons other than for non-payment of the premium, nor replaced with similar insurance, the Insured will automatically be entitled, without any payment of any additional premium, to a Discovery Period of 60 days.

The Policyholder will be entitled to extend the Discovery Period as specified in Item 11 of the Schedule, subject to the Policyholder making a request in writing not later than 60 days after expiry of the Insurance Period and paying any additional premium required by the Insurer.

2.2 Emergency Costs

To the extent that it is not reasonably possible to obtain the Insurer's prior written consent, the Insurer will retroactively and subject to the terms of this Policy

approve the reasonable and necessary Defence Costs and costs covered under Extensions 2.3 to 2.5.

This cover extension is subject to a sublimit as specified in Item 6.h. of the Schedule.

2.3 Mitigation Costs for Claims

The Insurer will pay to or on behalf of an Insured the reasonable and necessary costs incurred by the Insured with the Insurer's prior written consent to mitigate or minimize Damages and Defence Costs that would otherwise be covered under this Policy, but only to the extent that such costs do not exceed the amount by which covered Damages and Defence Costs are reduced.

This cover extension is subject to a sublimit as specified in Item 6.i. of the Schedule.

2.4 Mitigation Costs for Business Interruption

The Insurer will pay to or on behalf of an Insured the reasonable and necessary costs incurred by the Insured with the Insurer's prior written consent, which are over and beyond the normal business expenses to mitigate or minimize Business Interruption Loss that would be covered

otherwise under the Policy (including, where reasonable and necessary, forensic costs as described under section 1.9 a)), but only to the extent that such costs do not exceed the amount by which covered Business Interruption Loss is reduced.

Cover is only provided where such unavailability of the Company's Computer System exceeds the

Waiting Period, in which case the costs will include amounts incurred during the Waiting Period.

2.5 Restoration Costs

The Insurer will pay to or on behalf of an Insured Restoration Costs incurred as a direct result of a:

- (a) Privacy Breach, Confidentiality Breach, Cyber Attack or
- (b) Business Interruption Event causing the total or partial unavailability of the Company's Computer System which exceeds the Waiting Period (in which case the Restoration Costs will include amounts incurred during the Waiting Period),

but only where the relevant Privacy Breach, Confidentiality Breach, Cyber Attack or unavailability of the Company's Computer System is first Discovered during the Insurance Period.

2.6 Betterment following an Insured Event

Following any Privacy Breach, Confidentiality Breach, Cyber Attack or Business Interruption Event first Discovered during the Insurance Period or the Discovery Period, if applicable, the Insurer will pay to or on behalf of an Insured the reasonable and necessary costs incurred by the Insured with the Insurer's prior written consent, to rectify the underlying cause of such Privacy Breach, Confidentiality Breach, Cyber Attack or Business Interruption Event, including but not limited to upgrading or improving the Company's Computer System or the

Company's software, to the extent that such rectification is reasonably necessary to prevent any future Privacy Breach, Confidentiality Breach, Cyber Attack or Business Interruption Event.

Following a Business Interruption Event such cover is only provided where the unavailability of the Company's Computer System exceeds the Waiting Period, in which case the costs will include amounts incurred during the Waiting Period.

This cover extension is subject to a sublimit as specified in Item 6.j. of the Schedule.

2.7 Voluntary Notification Costs

The Insurer will pay to or on behalf of an Insured the reasonable and necessary fees and expenses incurred by the Insured to make voluntary notifications of any actual, alleged or suspected Privacy Breach or Confidentiality Breach first Discovered during the Insurance Period or the Discovery Period, if applicable, to any data subject, Third Party or Regulator, provided the Insurer reasonably believes such voluntary notification will mitigate Loss otherwise covered under this Policy.

This cover extension is subject to a sublimit as specified in Item 6.k. of the Schedule.

2.8 Industrial Control Systems/Supervisory Control and Data Acquisition (SCADA) Systems

The definition of Computer System will be extended to explicitly include Industrial Control Systems, including any information technology to steer or control technical processes, embedded systems or other industrial IT.

2.9 Business Interruption due to Human Error or Technical Failure

The definition of Business Interruption Event will be extended to explicitly include any of the following events that occur in Computer Systems that are under direct operational control of the Insured:

- (a) accidental, unintentional or negligent act, error or omission of an Insured Person in the operation or maintenance of the Company's Computer System;
- (b) unexpected technical failure of the Company's Computer System which is not an operational error under (a) above or a Cyber Attack.

Technical failure includes:

- (i) failures in power supply, but only if the power supply is under direct operational control of the Insured;
- (ii) over and undervoltage;
- (iii) electrostatic build-up and static electricity;
- (iv) overheating;
- (v) a failed system upgrade;
- (vi) a software error;
- (vii) an internal network failure; and
- (viii) hardware failure.

This cover extension is subject to a sublimit as specified in Item 6.l. of the Schedule.

2.10 Business Interruption due to Legal or Regulatory Requirement

The Insurer will pay to the Insured the Business Interruption Loss following the Insured actively causing the total or partial unavailability of the Company's Computer System, provided the Insured caused such unavailability:

- (a) complying with a legally binding order by a Regulator to the Insured to do so;
or
- (b) fulfilling an enforceable legal or regulatory requirement of Data Protection Regulations,

in response to a Privacy Breach or Confidentiality Breach by the Company due to a Business Interruption Event first Discovered during the Insurance Period.

Cover is only provided where such unavailability of the Company's Computer System exceeds the Waiting Period, in which case Business Interruption Loss will include amounts incurred during the Waiting Period.

3. Definitions

In this Policy the following words in bold and italics will have the following meaning:

3.1 **Business Interruption** means the necessary and complete interruption or the necessary slowdown of the Company's operations.

3.2 **Business Interruption Event** means a Cyber Attack that occurs in Computer Systems that are under direct operational control of the Insured.

3.3 **Business Interruption Loss** means the amount by which the Company's net operating profit (excluding profits out of capital and investment gains and before tax) during the Indemnity Period falls below the projected Company's net operating profit for that period as a direct result of a Business Interruption due to the total or partial unavailability of the Company's Computer System. For the purpose of projecting the net operating profit during the Indemnity Period which would have been earned if the Business Interruption had not occurred, the Company's revenues during the 36 months prior to the unavailability will be taken into consideration as well as all relevant trends and business developments that would have affected the Company's net operating profit without the unavailability of the Company's Computer System,

this includes:

fixed charges and other operating expenses, but only to the extent that such expenses must continue during the Indemnity Period and to the extent that these expenses are not covered by the Company's revenues as a direct result of the total or partial unavailability of the Company's Computer System.

Any losses calculated will be reduced by any related benefits received by the Company that arise as a consequence of the Business Interruption, including but not limited to:

- (a) any alternative methods used by the Company to maintain its revenue stream;
- (b) any additional profits made by the Company that occur within 6 months of the

Business Interruption; or

- (c) any sums saved during the Indemnity Period in respect of any variable charges and expenses of the Company.

Business Interruption Loss will not include:

- (i) loss resulting from suspension, cancellation or lapse of any lease, contract, license or orders by the Company;
- (ii) fines and damages for breach of contract or for late or non-completion of orders;
or
- (iii) penalties of any nature.

3.4 Claim means:

- (a) any written demand, suit or proceeding; and
- (b) for the purposes of Insuring Clause 1.4 only:
 - (i) any official, administrative or regulatory investigation or audit conducted by a Regulator; or
 - (ii) any criminal prosecution brought by or at the instigation of a Regulator.

A Claim will be deemed to be first made or commenced when any of the Company's directors or officers, partners or any member of the Company's risk management department, legal department, IT department or HR department or any senior manager of any other department first becomes aware of it.

3.5 Company means the Policyholder and its Subsidiaries.

3.6 Company's Computer System means a Computer System the Company leases, owns or operates or which is made available or accessible to the Company for the purpose of storing and processing the Company's electronic data or software.

3.7 Computer System means a computer and all input, output, processing, storage, intranets and communication facilities including related communication or open systems networks and extranets which are connected directly or indirectly to such a device.

3.8 Confidential Information means:

- (a) confidential information which is in the care, custody or control of an Insured in the ordinary course of its business; and
- (b) information provided to the Insured which the Insured agrees in writing to treat as confidential.

3.9 Confidentiality Breach means:

- (a) the accidental or negligent disclosure by the Insured or the Outsourced Service Provider of Confidential Information; or
- (b) the unauthorised access to or use of Confidential Information stored in the Company's Computer System.

3.10 Cyber Attack means an intrusion into the Company's Computer System which results in unauthorised access or use of the Company's Computer System or unauthorised modification, destruction, deletion, transmission or copying of electronic data or software or consumption of computer resources, including denial of service attacks.

3.11 Cyber Extortion Loss means:

- (a) reasonable and necessary fees, costs and expenses incurred by or on behalf of the Insured with the prior written consent of the Insurer directly resulting from a Cyber Extortion Threat; and
- (b) monies payable by the Insured with the prior written consent of the Insurer in order to resolve or terminate a Cyber Extortion Threat.

3.12 Cyber Extortion Threat means a credible and probable threat by an extortionist to cause a Privacy Breach, Confidentiality Breach or Cyber Attack.

3.13 Damages means the following, incurred as a result of a Claim:

- (a) any amounts that an Insured will be legally liable to pay to a Third Party in respect of judgments or arbitral awards rendered against an Insured;
- (b) monies payable by an Insured to a Third Party pursuant to a settlement agreement negotiated by the Company with the prior written approval of the Insurer; and
- (c) punitive or exemplary damages where insurable by the law of this Policy and the jurisdiction in which the payment is to be made.

Damages will not include:

- (i) the loss, offset or return of fees, commissions, royalties, bonuses or profits by the Insured or the costs to reperform any services;
- (ii) the costs to comply with any order for, grant of or agreement to provide injunctive or other non-monetary relief;
- (iii) the costs to design, upgrade, maintain, or improve a Computer System or software, including correcting any deficiencies or problems; or
- (iv) taxes, fines or contractual penalties, unless covered under Insuring Clauses 1.4 or 1.7.

3.14 Data Protection Legislation means any law or regulation regulating the processing of personal information.

3.15 Defence Costs means reasonable and necessary legal fees, costs and expenses incurred by or on behalf of the Insured, with the prior written consent of the Insurer,

- (a) in relation to the investigation, response, defence, appeal or settlement of a Claim, including the costs of attachment or similar bonds provided the Insurer will have no obligation to furnish such bonds;
- (b) in relation to preparing, investigation, response or defence of a Self Report and/or assessing whether a Self Report is required or advised.

Defence Costs will not include any internal costs of the Insured (e.g. wages, salaries or other remuneration) or any amount paid by the Insurer or any other insurer pursuant to any policy or policies of insurance, other than this Policy, under which there is a duty to defend.

- 3.16 Discovered or Discovery means the first manifestation of the Insured's directors and officers, partners or any member of the Insured's risk management department, legal department, IT department or HR department, or any senior manager of any other department, becoming aware of an event under Insuring Clauses 1.8, 1.9, 1.10 or 1.11 or reasonably suspecting that such event has occurred, and which would cause this person to reasonably assume that a Loss covered under Insuring Clauses 1.8, 1.9, 1.10 or 1.11 has been or is likely to be incurred, even though the exact amount or detail of the Loss may not be known at that time.
- 3.17 Discovery Period means the period commencing immediately after the expiry of the Insurance Period, during which written notice may be given to the Insurer of a Claim arising from a Wrongful Act, Confidentiality Breach or Privacy Breach that occurred prior to the expiry date of the Insurance Period and only where Loss arising from such Claim is not partially nor wholly covered by any other insurance policy in force after the expiry date of the Policy.
- 3.18 E-Payment Service Provider means one of the following service providers: American Express, Mastercard, Visa, Maestro Card or any other similar service provider.
- 3.19 Fines and Penalties means all monetary fines and penalties insurable by the law of this Policy and the jurisdiction in which the payment is to be made, which the Insured is legally obligated to pay.
- 3.20 Funds means any cash, money or currency owned by the Company or held by a financial institution in an electronic form on behalf of the Company.
- 3.21 Insurance Period means the period as set forth in Item 4 of the Schedule.
- 3.22 Insured means the Company and the Insured Persons.
- 3.23 Insured Persons means any person who was, is, or during the Insurance Period becomes a
Company's director, officer or employee.
- 3.24 Insurer means CHUNG KUO INSURANCE COMPANY, LIMITED.
- 3.25 Indemnity Period means the period which starts when the Business Interruption first occurs and ends when the Business Interruption has ended, but will be no longer than 180 days.
- 3.26 IT Expert means one of the experts named in Item 14 of the Schedule or any other external IT expert appointed by the Insured with the prior written consent of the Insurer.

3.27 Limit of Indemnity means the amount specified as such in Item 5 of the Schedule.

3.28 Loss means:

- (a) Damages;
- (b) Defence Costs;
- (c) Fines and Penalties covered under Insuring Clause 1.4;
- (d) sums covered under Insuring Clause 1.6 (Consumer Redress Funds);
- (e) contractual penalties covered under Insuring Clause 1.7. (PCIDSS);
- (f) costs covered under Insuring Clause 1.9 (Crisis Management);
- (g) Restoration Costs;
- (h) Cyber Extortion Loss;
- (i) Business Interruption Loss;
- (j) loss of Funds covered under Insuring Clause 1.10 (Hacker Theft);
- (k) sums covered under Section 2. Extensions; and
- (l) any other amount the Insurer is liable to pay under the terms and conditions of this Policy.

3.29 Media Wrongful Act means, in the context of the Insured's publication or broadcasting of any digital media content, any actual or alleged:

- (a) defamation, unintentional infringement of any intellectual property (other than patent infringement), misappropriation or theft of ideas or information;
- (b) invasion, infringement or interference with an individual's rights of privacy or publicity, disclosure of private facts and commercial appropriation of name, persona or likeness;
- (c) unfair competition, but only if alleged in conjunction with any of the acts listed in (a) or (b) above; or
- (d) negligence by the Insured with respect to any digital media content.

3.30 Merger or Acquisition means:

- (a) the merger of the Policyholder with, or consolidation into, another entity;
- (b) the sale of all or the majority of the Policyholder's assets to another entity; or
- (c) the acquisition by any natural person or entity acting alone or in concert of securities or voting rights which results in ownership or control by such natural person or entity of more than 50% of the outstanding securities representing the present right to vote for the election of the board of directors of the Policyholder.

3.31 Outsourced Service Provider means any Third Party who stores or processes, pursuant to a written contract, Personally Identifiable Information or Confidential Information.

3.32 Personally Identifiable Information means any personal data controlled or processed by the Insured that is subject to protection by any Data Protection Legislation.

- 3.33 Policyholder means the entity specified as such in Item 2 of the Schedule.
- 3.34 Privacy Breach means:
- (a) any unauthorised disclosure by the Insured or by the Outsourced Service Provider of any Personally Identifiable Information; or
 - (b) any unauthorised access to or use of Personally Identifiable Information in the Company's Computer System,
 - (c) in actual or alleged breach of any Data Protection Legislation.
- 3.35 Regulator means any official or public body with responsibility to enforce Data Protection Legislation including but not limited to the Hong Kong Privacy Commissioner for Personal Data.
- 3.36 Related Events means all Losses or Claims which arise out of, are based upon, attributable to or connected in any way to the same originating cause or source.
- 3.37 Responsible Person means the Company's Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, General Counsel, Head of IT, Head of HR, Data Protection Officer and Chief Compliance Officer or any Insured Person in a functionally equivalent position.
- 3.38 Restoration Costs means the reasonable and necessary costs of an IT Expert incurred by the Insured as a direct result of any Business Interruption Event which is first Discovered during the Insurance Period, to:
- (a) restore the Company's Computer System to the same level of functionality which existed immediately prior to such Business Interruption Event; and
 - (b) technically restore, retrieve or reinstall electronic data or software, including the cost of purchasing a software licence necessary to reproduce such electronic data or software.
- Restoration Costs will not include:
- (i) costs to comply with any order for, grant of or agreement to provide injunctive or other non- monetary relief;
 - (ii) legal costs or legal expenses of any type;
 - (iii) costs that the Insured would have incurred anyway, without the Business Interruption Event (e.g. maintenance cost);
 - (iv) costs for the correction of incorrect manual input of electronic data;
 - (v) costs to design, upgrade, maintain, or improve the Company's Computer System or software, unless otherwise covered under Extension 2.5 Betterment following an Insured Event; or
 - (vi) the Insured's own internal costs (e.g. labour costs, overheads, etc) unless the Insurer provides its written consent to such costs.
- 3.39 Retention means the amount specified in Item 8 of the Schedule.

- 3.40 Security Wrongful Act means any actual or alleged act, error or omission of the Insured as a result of which a Cyber Attack occurred.
- 3.41 Self Report means the report to any Regulator by any Insured pursuant to an obligation to inform the Regulator of matters giving rise to actual or potential regulatory issues, where failure to give such notification or delay in notifying, can itself give rise to enforcement consequences.
- 3.42 Subsidiary means any entity that during the Insurance Period the Policyholder either directly or indirectly:
- (a) controls the composition of the board of directors;
 - (b) holds more than 50% of the voting shares; or
 - (c) holds more than 50% of the issued share capital.
- Cover for any Subsidiary will only apply to Loss which results directly or indirectly from any Confidentiality Breach, Privacy Breach, Wrongful Act, Cyber Attack, Cyber Extortion Threat or Business Interruption Event which took place, and are Discovered, while such entity is a Subsidiary of the Policyholder.
- 3.43 Third Party means any natural or legal person except the Insured.
- 3.44 United States of America means the United States of America its territories and possessions and/or any state or political subdivision thereof.
- 3.45 Waiting Period means the period as specified in Item 7 of the Schedule, taken from the beginning of the Business Interruption.
- 3.46 Wrongful Act means any Security Wrongful Act and/or Media Wrongful Act.

4. Exclusions

A) General Exclusions

No coverage will be available under this Policy with respect to any Loss arising out of, based upon or attributable to:

4.1 Dishonest or Improper Conduct

any:

- (a) deliberate, criminal, fraudulent, dishonest or malicious act or omission; or
- (b) intentional breach or knowing violation of any duty, obligation, contract, law or regulation; or
- (c) intentional causing of a Business Interruption Loss, by any Insured.

Provided, however, the Insurer will advance Defence Costs until there is:

- (i) a final decision of a court, arbitration tribunal or Regulator; or
- (ii) a written admission,

which establishes such behaviour. Following such finding the Insured will

promptly repay to the Insurer any amount paid to or on behalf of the Insured under this Policy.

No conduct, act or omission of one Insured will be imputed to any other Insured. Notwithstanding the above, the knowledge possessed by and any conduct, act or omission of any

past, present or future Responsible Person will be imputed to all Companies.

4.2 Bodily Injury and Property Damage

any actual or alleged bodily injury, sickness, mental anguish or emotional distress or disturbance, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including loss of use thereof. Electronic data and software are not considered tangible property.

However, this exclusion will not apply to Claims to the extent that they:

- (a) are in respect of mental anguish or emotional distress or disturbance of a data subject resulting from a Privacy Breach or Media Wrongful Act; or
- (b) are for a Privacy Breach or Confidentiality Breach resulting from a loss or theft of elements of the Company's Computer Systems.

4.3 Contractual Liability

any liability under any contract, agreement, guarantee or warranty assumed or accepted by an Insured except to the extent that:

- (a) such liability would have attached to an Insured in the absence of such contract, agreement, guarantee or warranty;
- (b) coverage is afforded under Insuring Clause 1.7;
- (c) such liability is the subject of a confidentiality agreement or non-disclosure agreement entered into by an Insured.

4.4 Prior claims and Circumstances

any Claim, Confidentiality Breach, Privacy Breach, Cyber Attack, Cyber Extortion Threat, Business Interruption Event, Wrongful Act or any fact, event or circumstance which is likely to give rise to a Claim, Confidentiality Breach, Privacy Breach, Cyber Attack, Cyber Extortion Threat, Business Interruption Event or Wrongful Act:

- (a) notified to any prior insurance policy; or
- (b) which a Responsible Person was aware of, or after reasonable enquiry should have been aware of, prior to the Insurance Period.

4.5 Trade Secrets and Intellectual Property

any actual or alleged plagiarism of, or infringement of any rights with respect to, information including a formula, compilation, pattern, programme, device, method, process or technique that derives independent economic value, actual or potential, from not being generally known and not readily ascertainable through proper means by another person who can obtain economic advantage from its disclosure or use, patents, trademarks, trade names, copyrights, licenses or any

other form of intellectual property. However, this exclusion will not apply to coverage afforded under Insuring Clause 1.3.

4.6 War, Looting and Governmental Acts

war, any invasion, act of foreign enemy, hostile operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, riot or civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power or martial law, looting and any expropriation, nationalisation, confiscation, requisition, seizure or any other act by or under order of any governmental, de facto or public local authority. However, this exclusion will not apply to coverage afforded under Insuring Clause 1.4 or for Business Interruption Loss covered under Extension 2.9.

4.7 Trading

any losses or liabilities connected with any types of purchase or sale transactions or other dealing in securities, commodities, derivatives, foreign or Federal funds, currencies, foreign exchange, and the like.

4.8 Pollution

any discharge, dispersal, seepage, migration, release or escape of:

- (a) any solid, liquid, gaseous, biological or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, radiation and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (b) electromagnetic energy, radiation or fields; or
- (c) nuclear or other radiation.

4.9 Natural Perils

any electromagnetic fields, radiation, earthquake, windstorm or other natural peril.

4.10 Licensing Fees

any actual or alleged licensing fee or royalty payment including, but not limited to, any obligation to pay such fees or royalty payments. However, this exclusion shall not apply to Restoration Costs incurred to purchase a software license necessary to reproduce electronic data or software.

4.11 Securities Claims

any actual or alleged violation of any statutory or common laws, rules or regulations regulating securities, the purchase or sale or offer or solicitation of an offer to purchase or sell securities.

4.12 Company versus Insured Claims

any Claim brought by, on behalf of, or at the instigation of any Company.

4.13 Inadequate Description and Financial Communications - applicable to Insuring Clause 1.3 only

any:

- (a) actual or alleged inadequate, inaccurate or incomplete description of the price of goods, products, services and cost guarantees, cost representations, cost estimates and the authenticity of any goods, products or services or the failure of any goods, products or services to confirm with any representation regarding their quality or performance;
- (b) actual or alleged errors in financial data or information disseminated or publicised by the Company; or
- (c) gambling, lottery, contest, promotional game or other games of chance.

B) Exclusions applicable only to Insuring Clause 1.8. (Business Interruption Loss), Extension 2.5(b) (Restoration Costs) and Extension 2.9 (Business Interruption due to Legal or Regulatory Requirement)

Only with respect to Insuring Clause 1.8, Extension 2.5(b) and Extension 2.9, no coverage will be available under this Policy with respect to any Loss arising out of, based upon or attributable to:

4.14 Network Interruption

any interruption or disturbance of electricity, internet, cable, satellite, telecommunication or other infrastructure, including disturbance of services provided by the service provider that hosts the Insured's website, blackouts and brownouts. This exclusion will only apply to such interruptions and disturbances that are outside of the Insured's control.

4.15 Scheduled interruption

any scheduled interruption of the Company's Computer System including any downtime that is the result of a planned outage lasting longer than initially planned or expected.

4.16 Unexpected Demand

the Insured's failure to anticipate or plan for normal or above normal operational demand for the Company's Computer System except where this demand is the result of a Cyber Attack.

5. Duties of the Insured

5.1 Reasonable Precautions

The Insured will take all reasonable measures (taking into account the size and complexity of the Insured and resources available) to safeguard the Company's Computer System and prevent the occurrence, and minimize the impact, of any Cyber Attack or Business Interruption Event.

No conduct, act or omission of one Insured will be imputed to any other Insured.

Notwithstanding the above, the knowledge possessed by and any conduct, act or omission of any past, present or future Responsible Person will be imputed to all Companies.

6. In the event of a Loss

6.1 Notification

- (a) Upon Discovery, the Insured will give written notice thereof to the Insurer as soon as reasonably practicable, but in any event not later than 30 days after the end of the Insurance Period;
- (b) Upon receipt of any Claim, the Insured will give written notice thereof to the Insurer as soon as reasonably practicable, but in any event not later than 30 days after the end of the Insurance Period or Discovery Period, if applicable; and
- (c) If, during the Insurance Period, the Insured becomes aware of any fact, event or circumstance which is likely to give rise to a Claim then the Insured may give written notice thereof to the Insurer as soon as reasonably practicable, but in any event during the Insurance Period.

All notifications and all communications under this Policy must be in writing to the address set forth in item 12 of the Schedule.

6.2 Circumstances

If during the Insurance Period circumstances are notified in accordance with the requirements of clause 6.1(c), then any later Claim arising out of, based upon or attributable to such notified circumstances will be accepted by the Insurer as having been made at the same time as the circumstances were first notified to the Insurer.

6.3 Defence

For the purposes of Insuring Clauses 1.1, 1.2, 1.3 and 1.4 it will be the duty of the Insured to defend Claims and arrange for representation at any hearing or investigation. The Insurer will have the right to effectively associate with the Insured in respect of the conduct and management of any Claim to which this Policy may apply.

6.4 Cooperation

The Insured will:

- (a) take all reasonable steps to reduce or minimise Loss;
- (b) in connection with the coverage afforded under Insuring Clauses 1.9, 1.10 and 1.11, submit to the Insurer (at its own cost) a written, detailed proof of Loss which provides an explanation of the circumstances and a detailed calculation of such Loss;
- (c) provide to the Insurer all such cooperation and assistance as the Insurer may request in connection with any Loss; and
- (d) not admit liability, make any payments, assume any obligations, enter into any settlement or accept any judgement or award without the Insurers prior written consent.

6.5 Advancement of Defence Costs

The Insurer will pay covered Defence Costs to or on behalf of the Insured as soon as reasonably practicable after receipt of sufficiently detailed invoices.

6.6 Subrogation and Recoveries

The Insurer will be subrogated to all of the Insured's rights of recovery to the extent of all payments of Loss by the Insurer or all other amounts for which cover is provided under this Policy. The Insured will do everything necessary to secure any rights, including the execution of any documents necessary to enable the Insurer effectively to bring suit in the name of the Insured whether such acts become necessary before or after payment by the Insurer.

Recoveries, whether being subject to a subrogation or not, with respect to any Loss or any other amounts for which cover is provided under this Policy, will be distributed as follows:

- (a) first, to reimburse the costs and expenses actually incurred in making the recovery;
- (b) second, to the Insurer for the amount paid to the Insured for any covered Loss;
- (c) third, to the Insured for the amount of Loss otherwise covered but in excess of this Policy's

Limit of Indemnity less any applicable Retention;

- (d) fourth, to the Insured for any applicable Retention; and
- (e) fifth, to the Insured for Loss specifically excluded by this Policy.

Recovery by the Insurer from reinsurance will not be deemed a recovery hereunder.

7. Limit of Indemnity and Retention

7.1 Limit of Indemnity

The Insurer's liability to pay or indemnify under this Policy for each and every Loss and for all Loss

in the aggregate will not exceed the Limit of Indemnity.

Each sublimit of liability specified in the Schedule is the maximum the Insurer will pay for the cover to which it applies and is part of the Limit of Indemnity.

7.2 Retention

The Insurer will only be liable to pay or indemnify under this Policy for each and every Loss and all

Loss arising from a Related Event that is in excess of any applicable Retention.

In the event Loss arising from a Related Event is covered under more than one Insuring Clause then only one Retention will apply, being the highest Retention applicable to one of the relevant Insuring Clauses.

7.3 Loss attributable to a Related Event

All Related Events will constitute one single Claim or Loss and will be

deemed to be first made or

Discovered when the earliest of such Claims or Losses was first made or Discovered.

8. Changes in risk

8.1 New Subsidiaries

If during the Insurance Period any Company creates or acquires a new Subsidiary, it will automatically be covered under this Policy provided that:

- (a) the Subsidiary created or acquired does not have a turnover exceeding 10% of the consolidated net turnover of the Policyholder at the time of inception of the Policy;
- (b) the Subsidiary is not a financial institution, telecommunication company, IT service provider or derives more than 50% of its turnover from online sales; and
- (c) the Subsidiary is not domiciled in the United States of America and derives not more than 50% of its turnover from activities in the United States of America.

8.2 Past Subsidiaries

If an entity ceases to be a Subsidiary under this Policy during the Insurance Period, then no coverage will be afforded under this Policy for any Loss Discovered in such Subsidiary or Claim made against such Subsidiary after the date it ceased to be a Subsidiary.

8.3 Merger or Acquisition

If during the Insurance Period a Merger or Acquisition occurs, the Insurer will only be liable to make any payment under this Policy in relation to any Loss or Claim based upon or attributable to any Confidentiality Breach, Privacy Breach, Cyber Extortion Threat, Business Interruption Event, Cyber Attack or Wrongful Act which occurred prior to the date on which the Merger or Acquisition is legally effective in the jurisdiction in which it occurs.

The Policyholder will give the Insurer written notice of the Merger or Acquisition as soon as practicable after the Policyholder first becomes aware of the Merger or Acquisition.

8.4 Receivership, liquidation

If a receiver, liquidator, administrator or equivalent under the laws of any jurisdiction is appointed to any Insured during the Insurance Period, the Insurer will only be liable to make any payment under this Policy in relation to any Loss based upon or attributable to any Confidentiality Breach, Privacy Breach, Cyber Extortion Threat, Business Interruption Event, Cyber Attack or Wrongful Act which occurred prior to the effective date of such appointment.

9. General Provisions

9.1 Policy administration

The Policyholder will act on behalf of itself and each and every Insured with respect

to:

- (a) negotiating the terms and conditions of and binding cover;
- (b) the exercise of all rights of Insureds under this Policy;
- (c) all notices;
- (d) premiums;
- (e) endorsements and amendments to this Policy;
- (f) dispute resolution; and
- (g) receipt of all amounts payable to any Insured by the Insurer under this Policy.

The payment of any Loss and or any other amounts payable under this Policy to the Policyholder

will fully release the Insurer with respect to such Loss and all other amounts.

9.2 Insurance Period

This Policy is in force for the Insurance Period set forth in Item 4 of the Schedule.

9.3 Premium Payment and Termination

The Insured warrants that the premium payable for this Policy will be paid to the Insurer within 60 days after commencement of the Insurance Period. If such payment is not made, and absent any agreement between the Insurer and the Insured to the contrary, then this Policy will automatically terminate with effect from inception and the Insurer will have no liability under the Policy in respect of any matter notified to the Policy.

This Policy may be cancelled by mutual agreement between the Policyholder and the Insurer.

9.4 Other insurance / indemnification

Unless otherwise required by law, cover under this Policy is provided only as excess over any other valid and collectible insurance, including any self insured retention or deductible thereof unless such other insurance is written only as specific excess insurance over the Limit of Indemnity.

9.5 Plurals, headings and titles

The descriptions in the headings and titles of this Policy are solely for reference and convenience and do not lend any meaning to this Policy. Words and expressions in the singular will include the plural and vice versa. In this Policy, words in bold and italic have special meaning and are defined. Words that are not specifically defined in this Policy have the meaning normally attributed to them.

9.6 Fraudulent notifications

If the Insured will give notice of any Loss knowing the same to be false or fraudulent, as regards amount or otherwise, such Loss will be excluded from the Policy and the Insurer reserves the right to avoid this Policy in its entirety and in such case all Loss will be forfeited.

9.7 Contracts (Rights of Third Parties) Clause

Save as otherwise expressly provided in this Policy, any person or entity who is not a party to this Policy shall have no rights to enforce any terms of this Policy.

9.8 Assignment

The Insured will not be entitled to assign this Policy nor any interest or right under the Policy without the Insurer's written consent.

9.9 Sanctions/Embargoes

No Insurer will be deemed to provide cover and no Insurer will be liable to pay any Loss or claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such Loss or claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

9.10 Territorial scope

Where legally permissible by the law of this Policy and the jurisdiction in which the payment is to be made and subject to all terms and conditions of this Policy, this Policy will apply to any Loss incurred or Claims made anywhere in the world, unless otherwise stated in Item 9 of the Schedule.

9.11 Governing law

Any interpretation of this Policy relating to its construction, validity or operation will be made exclusively in accordance with the laws of the Republic of China.

9.12 Jurisdiction

This Policy is subject to the exclusive jurisdiction of Taiwan Taipei District Court of the Republic of China.

9.13 Complaints

In the event that you have a complaint against CHUNG KUO INSURANCE COMPANY, LIMITED, you should write to:

CHUNG KUO INSURANCE COMPANY, LIMITED
No. 58, Sec. 1, Wuchang St., Jhongjheng District, Taipei City, 100, Taiwan R.O.C.