

**TRANSLATION: In cases of doubt the German version will prevail**

The Euler Hermes Kreditversicherungs AG ("Euler Hermes" hereafter) provides insurance coverage for the agreed scope of material and financial damages that the insured company suffers from wilful, unlawful acts requiring compensation according to the legal regulations.

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## Losses – caused by insured persons

### § 1 For what losses caused by an identified insured person does insurance coverage exist?

Insurance coverage exists for losses to an insured company caused by an identified insured person through wilful, unlawful acts for which compensation is payable under statutory provisions (event of loss).

For an indemnification to occur, the insured company must provide evidence for the cause and the amount of compensation due from the insured person.

### § 2 For what losses caused by an unidentified insured person does coverage exist?

Insurance coverage exists for losses that, according to the details of the case, have in all likelihood been directly caused to the insured company by the wilful, unlawful acts of an unidentified insured person, provided that compensation is payable for such acts under statutory provisions (event of loss).

For an indemnification to occur, the details of the case must be traceable from the investigation results made available to EH or from the results of the investigation by the authorities. At any time, EH will be entitled to conduct further investigations at its own expense that might lead to the ascertainment of the loss-causing events. EH can also commission an expert.

Contrasting the supposed and actual assets without the prior elucidation of how such alleged differences or statistically detected data have come about will not be sufficient evidence for an event of loss to be justified.

### § 3 For what losses caused to a third party by an identified insured person does coverage exist?

Insurance coverage exists for losses to an insured company caused by an identified insured person through wilful, unlawful acts that have caused direct damage to a third party, which, in turn, has been compensated by the insured company based on contractual or legal obligations while the insured person must compensate the insured company according to the legal regulations due to unlawful acts that have caused losses equalling the amount of indemnification paid (event of loss). The compensation due from the insured person does not have to include the contractual penalty paid to the third party by the insured company.

Indemnification presumes that the insured company provides evidence for the cause and the amount of the obligatory compensation to the third party and for the cause and the amount of compensation due from of the insured person to the insured company.

### § 4 For what losses caused to a third party by an unidentified insured person does coverage exist?

Insurance coverage exists for losses to an insured company caused by its contractual or legal obligations to compensate a third party for losses that, according to the details of the case, such third party has in all likelihood suffered directly from the wilful, unlawful acts of a non-identified insured person provided that those acts oblige to pay damages according to the legal regulations (event of loss).

For an indemnification to occur, the details of the case must be traceable in documents made available to EH or from the official investigation results of the authorities. At any time, EH will be entitled to conduct further investigations at its own expense that might lead to the elucidation of the loss incurring events. EH can also commission an expert. Contrasting the supposed and actual assets without the prior elucidation of how such alleged differences or statistically detected data have come about will not be sufficient evidence for an event of loss to be justified.

## Disclosure of company and business secrets by insured persons

### § 5 Does insurance coverage exist for losses caused by the disclosure of company and business secrets?

Insurance coverage exists for losses to an insured company caused directly by wilful, unlawful acts of an identified insured person who has deliberately or illegally passed on company and business secrets of the insured company to unauthorised third parties or who has exploited such secrets for him-/herself (event of loss).

For an indemnification to occur, the insured company must provide evidence for the amount of obligatory compensation by the insured person as determined by the legal regulations regarding unlawful acts.

### § 6 Does insurance coverage exist for losses caused by the disclosure of third-party company and business secrets?

Insurance coverage exists for losses to an insured company directly caused by wilful, unlawful acts of an identified insured person who has deliberately or illegally passed on third-party company and business secrets legally entrusted to the insured company to unauthorised third parties or who has exploited such secrets for him-/herself (event of loss).

For an indemnification to occur, the insured company must provide evidence for the amount of obligatory compensation by the insured person as determined by the legal regulations regarding unlawful acts. The insured company must furthermore provide evidence for a contractual or legal obligatory compensation of the insured company to that party, which has legally entrusted it with company and business secrets.

### **§ 7 Are losses in the form of lost profits, caused by the disclosure of company and business secrets, insured?**

For events of loss acc. to §§ 5 and 6 GCI, insurance coverage will, in contrast to § 51 (exclusions) also exist for profit losses caused to the insured company as a consequence of disclosed company and business secrets.

### **§ 8 Will legal costs be additionally reimbursed in the event of disclosure of business and company secrets?**

For events of loss acc. to §§ 5 and 6 GCI, EH will, in extension of §§ 29 and 30 GCI, reimburse external legal costs for averting or mitigating the loss, provided that the insured company has asserted its right to information, recovery or injunctive relief claims.

### **§ 9 Is the insured sum limited in the event of losses caused by the disclosure of business and company secrets?**

For events of loss acc. to §§ 5 to 8 GCI, indemnification payments, including the insurance sum agreed in the insurance policy as well as any reimbursable costs as determined in these GCI, will be limited to 50% of the agreed insurance sum and to a sum of 1,000,000.00 EUR.

## **Losses – caused by third parties**

### **§ 10 For what losses caused by third parties does insurance coverage exist?**

Insurance coverage exists for losses to the insured company caused by a third party due to the following crimes in accordance with the German Penal Code:

#### **1. Robbery**

Insurance coverage exists for losses caused by the robbery of cash, securities or other assets provided that those were located in a locked safe, locked deposit box or were in the custody of an insured person (event of loss).

#### **2. Theft**

Insurance coverage exists for losses caused by the theft of cash, securities or other assets provided that those were located in a locked safe or locked deposit box (event of loss).

#### **3. Fraud**

**a)** Forged means of payment, checks or bills of exchange  
 Insurance coverage exists for losses caused by fraud in which the insured person has accepted from a third party forged bills of exchange, checks or legal means of payment for a member state of the European Economic Area (EEA), the USA or Canada on behalf of the company (event of loss).

#### **b)** Forged statement, order or invoice

Insurance coverage exists for losses caused by fraud in which an insured person has made a payment or a delivery of goods on behalf of the insured company using a statement, order or invoice forged by a third party (event of loss).

### **§ 11 Who is a third party?**

Third parties are all natural or legal persons that are neither the insured company nor insured persons, CEO, Board, Supervisory Board, Administrative Board or Advisory Board members, associates or trustees of the insured company.

### **§ 12 What losses caused by third parties are excluded from insurance coverage?**

For events of loss acc. to § 10 GCI, losses will, in addition to § 51 GCI (exclusions), also be excluded from insurance coverage if:

**1.** an employee of a security transport company or an associate of an insured company has been involved

or

**2.** such losses have occurred in the context of factoring. A loss that would not have occurred without the actual or feigned factoring business is sufficient for qualifying as factoring-related.

### **§ 13 Is the sum insured limited for losses caused by third parties?**

For events of loss acc. to § 10 GCI, indemnification payments, including the sum insured per individual claim agreed in the insurance policy as well as any reimbursable costs as determined in these GCI, will be limited to 50% of the agreed sum insured and to a sum of 1,000,000.00 EUR.

### **§ 14 Is insurance coverage possible if another insurance coverage exists for the risks described in § 10 GCI?**

For events of loss acc. to § 10 GCI, insurance coverage will be excluded if another insurance policy exists for the risks described in § 10 GCI. This applies independently of whether the other insurance policy justifies an insurance claim.

## **Third-party EDP system intrusion**

### **§ 15 For what losses caused by EDP system intrusion of third parties (hacker losses) does insurance coverage exist?**

Insurance coverage exists for losses to an insured company directly caused by third parties through wilful, unlawful and targeted intrusions into its electronic data processing (EDP) system, inasmuch as a third party has enriched itself in the amount of the loss and the third party is obliged to pay compensation according to legal regulations with regard to unlawful acts (event of loss).

EDP system in the meaning of these GCI is the totality of hardware and software, including data, databases, and phone systems, rightfully used for purposes of electronic data processing.

An intrusion in accordance with paragraph 1 exists if the EDP system has been impacted.

A targeted intrusion exists provided that such intrusion is directed against a certain number of EDP users and the insured company is among those users. Insurance coverage does not exist for an intrusion directed or potentially directed at an unidentified number of EDP users.

**§ 16 For what direct losses caused by third-party EDP system intrusion (hacker damages) does insurance coverage exist?**

Insurance coverage exists for losses to an insured company immediately caused by third parties through wilful and unlawful intrusions into its electronic data processing (EDP) system, thus justifying an obligatory compensation by a third party according to the legal regulations regarding unlawful acts even if such third party has not enriched itself (event of loss).

For events of loss acc. to § 1 GCI, indemnification payments, including the sum insured agreed in the insurance policy as well as any reimbursable costs as determined in these GCI, will be limited to 50% of the agreed sum insured and to a sum of 1,000,000.00 EUR.

**§ 17 Are indirect losses insured in the event of third-party EDP system?**

Taking into account the insured amount limited pursuant to the terms of § 16(2) GCI, the following indirect losses are insured:

1. Expenses for continuing business operations

For events of loss pursuant to § 16(1) GCI, changes to § 51 GCI (exclusions) are insured:

Expenses that an insured company has incurred within a time period of six months following the intrusion, provided that those expenses were necessary for continuing business operations and without which the event of loss would not have arisen at all or not to this extent.

2. Transfers following theft or abuse of user access data

As a modification to § 16(1) and § 51 GCI (exclusions), insurance coverage exists for losses to an insured company caused by its custodian financial institution making transfers in the context of the electronic banking business of the insured party, provided that user access data have previously been obtained illegally (e.g. through phishing, pharming, spyware, keylogger) by the intrusion of third parties according to §§ 15 and 16 GCI and misused for a transfer.

**§ 18 Do criminal charges have to be pressed upon learning about a third-party intrusion?**

For events of loss acc. to §§ 15 and 16 GCI, a reimbursement presupposes that the insured company presses criminal charges.

**§ 19 Is insurance coverage possible if another insurance coverage exists for the risks described in §§ 15 and 16 GCI?**

For events of loss acc. to §§ 15 and 16 GCI, insurance coverage will be excluded if another insurance policy exists for the risks described in §§ 15 and 16 GCI. This applies independently of whether the other insurance policy justifies an insurance claim.

**Contract penalties**

**§ 20 Does insurance coverage exist for contract penalties?**

Contrary to § 51 no. 2 GCI (exclusions), insurance coverage exists for the contract penalties paid by the insured companies inasmuch as the payment was based on a legal obligation and the legal entitlement for contract penalty payment was due to the occurrence of an event of loss according to these GCI.

The insurance coverage excludes any claims of an insured company with regard to payment of a contract penalty.

**§ 21 Is there a limit to the sum insured available for paid contract penalties?**

For an event of loss according to these GCI resulting in the payment of a contractual penalty acc. to § 20 GCI, the indemnification for the contract penalty will, including the sum insured agreed in the insurance policy for each event of loss, be limited to 50% of the agreed sum insured and to a sum of 1,000,000.00 EUR.

**Costs for mitigating reputational damage**

**§ 22 Will costs pertaining to the mitigation of reputational damage be reimbursed?**

EH will reimburse legally obligatory payments by an insured company to a third party that the insured company has commissioned with mitigating an occurred reputational damage.

No insurance coverage exists for reputational damages.

**§ 23 What constitutes reputational damage?**

Reputational damage in the meaning of § 22 GCI exists if media news coverage in the wake of an event of loss acc. to these GCI, has significantly diminished the credibility and the trust placed in an insured company.

#### **§ 24 Is the sum insured for the mitigation of reputational damage limited?**

For events of loss according to these GCI, which result in a reimbursement in acc. with § 22 GCI, the reimbursement of reputational damage litigation will, including the agreed sum insured, be limited to 50,000.00 EUR for each event of loss.

#### **§ 25 Is insurance coverage possible if another insurance policy exists for the risks described in § 22 GCI?**

Reimbursement of costs will not be possible if another insurance policy has been signed which covers the reimbursement of the costs described in § 22 GCI. This applies independently of whether an insured company is permitted to file a claim according to the other insurance policy.

### **Ascertainment of loss and legal costs**

#### **§ 26 What loss appraisal costs will be reimbursed?**

Within the parameters of the insured sum, EH will reimburse external loss appraisal costs incurred by an insured company of up to 20% of the insured loss as well as the additionally resulting internal loss appraisal costs of up to 5% of the insured loss. If no insured loss exists, the loss appraisal costs will not be reimbursed.

#### **§ 27 What are external and additionally generated internal appraisal costs?**

Loss appraisal costs are expenses that an insured company has incurred for the purposes of explaining the course of events leading to a loss, determining the amount of the loss or for investigating the perpetrator.

External loss appraisal costs are legally obligatory payments by an insured company to third parties for the purposes indicated in (1).

Additional internal loss appraisal costs are expenses incurred for an insured person according to § 34 nos. 1-3 GCI or material expenses that insured companies would not have incurred without the event of loss. Costs that one of the insured companies would have incurred even without the event of loss ("incidental costs") will not be reimbursed. Inasmuch as the damaged insured company makes loss appraisal payments to another insured company, those costs will not be reimbursed if those costs incurred by any of the two companies are costs which would have been incurred in any case.

#### **§ 28 What is an insured loss?**

An insured loss in the meaning of these GCI exists inasmuch as entitlement to indemnification exists according to the legal and contractual regulations and under consideration of an agreed retention.

#### **§ 29 What external legal costs will be reimbursed?**

##### **1. Filing of a claim of damages by an insured company**

###### **a) There is an insured loss**

Within the parameters of the insured sum, EH will reimburse external legal costs of up to 20% of the insured loss that an insured company has incurred by filing a claim of damages against an insured person due to wilful, unlawful acts.

If there is no insured loss, external legal costs will not be reimbursed (with the exception of the regulation indicated below). If the claim of damages is filed in Germany, the highest maximum reimbursement possible will be paid in accordance with fee and cost regulation laws. If the claim of damages is filed outside of Germany, reimbursement will be limited to three times the amount that would have resulted if the claim of damages had been filed in The Federal Republic of Germany.

###### **b) There is no insured loss**

Within the parameters of the insured sum, EH will reimburse external legal costs of up to 20% of the amount claimed by the claimant even in the absence of an insured loss, provided that an insured company has filed a viable lawsuit with a labour or civil court for payment of damages due to wilful, unlawful acts by an insured person and provided that such suit has been legally rejected or a legal conviction has occurred that is however not based on a proven wilful, unlawful act.

If no insurance coverage exists for the claimed damage independent of the insured person's liability due to contractual or legal obligations, no legal costs will be reimbursed.

If the claim of damages is filed in Germany, the highest maximum reimbursement possible will be paid in accordance with fee and cost regulation laws. If the claim of damages is filed outside of Germany, reimbursement will be limited to three times the amount that would have resulted if the claim of damages had been filed in Germany.

##### **2. Defence against third-party claims**

Within the parameters of the insured sum, EH will reimburse external legal costs incurred by an insured company for defending against a third party holding liable an insured company for a loss allegedly caused by the wilful, unlawful act of an insured person.

If the claim of damages is filed in Germany, the highest maximum reimbursement possible will be paid in accordance with fee and cost regulation laws. If the claim of damages is filed outside of Germany, reimbursement will be limited to three times the amount that would have resulted if the claim of damages had been filed in Germany.

### § 30 What are external legal costs?

The following expenses made by an insured company based on legal obligations comprise external legal costs:

- Court and procedural fees
- Lawyer's fees
- Opposing lawyer's fees
- Notary costs for recognition of debt that the perpetrator has issued to the benefit of insured company.

### § 31 What internal legal costs will be reimbursed?

Within the parameters of the insured sum, EH will reimburse an insured company additionally incurred internal legal costs of up to 5% of the insured loss. If no insured loss exists, internal legal costs will not be reimbursed.

### § 32 What are additionally generated internal legal costs?

Expenses for an insured person acc. to § 34 no. 1-3 GCI constitute additional internal legal costs. Expenses by the insured company for filing a legal claim of damages due to wilful, unlawful acts against an insured person or for fending off the claim of a third party holding liable an insured company for damages allegedly caused by a wilful, unlawful act by an insured person also constitute additional internal legal costs.

Costs that one of the insured companies would have incurred even without the damage claim ("incidental costs") will not be reimbursed. Inasmuch as an insured company makes loss appraisal payments to another insured company, those costs will only be reimbursed if none of the costs incurred by any of the two companies are incidental costs.

### § 33 Is insurance coverage possible if another insurance pertains to the reimbursement of costs described in §§ 26, 29, and 31 of GCI?

For events of loss acc. to §§ 26, 29, 31 GCI, insurance coverage will be excluded if another insurance policy covers the risks described in § 10 GCI. This applies independently of whether an insured company may claim losses due to the other insurance policy.

## Insured persons

### § 34 Who are insured persons?

At the moment a loss is caused, insured persons are

1. employees, temporary personnel, paid and unpaid trainees, interns, outworkers, and visiting students active for an insured company based on a signed work or service contract;
2. properly appointed members of the Board, CEO, Supervisory, Administrative, or Advisory Board members of an insured company, provided that those do not have more than a 20% direct or indirect stake in an insured company;

3. temporary personnel active for an insured company based on the Law of Temporary Employment or similar legal regulations;

4. persons active for an insured company who are legitimately present at the offices or the premises of an insured company based on a contract or an order by the insured company or by a company commissioned by the insured company;

5. persons active for an insured company who have been entrusted with the installation, servicing, maintenance of EDP devices (hardware) or with the development, maintenance or servicing of EDP programmes (software) by the insured company or by a company commissioned by the insured company. Those persons will also be defined as insured persons if the activities for the insured company are not carried out at the offices or on the premises of the insured company;

6. lawyers, tax consultants and financial auditors as well as their employees who provide standard professional services based on a contract with the insured company. Those persons will also be defined as insured persons if the activities for the insured company are not carried out at the offices or on the premises of the insured company. Attorney-notaries, their insured persons or notary administrators are not insured persons provided that their activities occur in the context of official notarial functions; The classification "insured person" ends one year following the termination of the contract signed between the insured person and the insured company or – provided that no contract had been signed – one year following the termination of the activities for the insured company; however no later than at the time of insurance coverage termination of the insured company.

### § 35 For what insured persons do special rules apply?

1. A loss caused by an insured person pursuant to § 34 no. 2 GCI will only be covered when the person did not enrich him-/herself illegally.
2. A loss caused by an insured person pursuant to § 34 no. 3-6 will only be covered provided that the insured company cannot claim compensation from a third party who is fully or partially liable for the loss to the insured company.

Provided that the liability of such third party cannot be fully or partially proven within 6 months of the EH event of loss without the insured company being at fault, EH will indemnify provided that all other conditions are also met.

The indemnification payment will occur against the relinquishment of all claims that the insured company might have against the third party. EH reserves the right to reclaim its indemnification payments provided that the recourse against the third party shows that the conditions for the indemnification payments were not met.

### § 36 When is an insured person excluded from insurance coverage?

1. An insured person for whom the insured company was aware at the outset of their signed contract or – inasmuch as no contractual relationship between insured person and insured company existed – at the outset of the activities for the insured company that the person had already committed a wilful unlawful act in the meaning of an event of loss according to these GCI will be excluded from insurance coverage.
2. An insured person will be excluded from insurance coverage during the duration of their signed contract or – inasmuch as no contractual relationship between insured person and insured company exists – during the duration of his/her activities for the insured company from the moment on at which the insured company has learned that the insured person has committed a wilful unlawful act in the meaning of an event of loss according to these GCI.

### Insured companies

#### § 37 What companies are the insured companies?

The policyholder and the co-insured companies are the insured companies.

#### § 38 Under what conditions is a company co-insured?

A company will be co-insured under the following conditions:

1. The policyholder manages the company or directly or indirectly has control over the company by
  - a) owning the absolute majority of company shares or
  - b) holding the absolute majority of joint-owner voting rights or
  - c) being a joint-owner with the authority to appoint or dismiss the majority of Executive Board members or of a comparable executive body or
  - d) being authorised to have a controlling impact on the company due to a control agreement or a provision in the by-laws.

And

2. The insured company has applied for company co-insurance and EH has approved the application upon analysis.

### Commencement and termination of insurance coverage

#### § 39 For what time period does insurance coverage exist?

Insurance coverage exists for all insurance events detected by the insured companies in the period between commencement

of insurance coverage and termination. The event of loss will be considered detected at the moment of notification by an insured company.

With regard to insurance coverage, the contractual provisions applicable at the time of insurance event detection will be decisive.

#### § 40 When does insurance coverage commence?

For the policyholder as well as for the co-insured companies indicated in the insurance policy at the time of signing, the commencement of insurance coverage is given in the Schedule to the policy. Any companies added as co-insured companies after signing the insurance policy will be considered insured from the moment of EH approval pursuant to § 38(2)GCI on.

#### § 41 Does insurance coverage also exist for events of loss caused prior to insurance coverage commencement (retroactive insurance)?

1. With regard to the policyholder and the co-insured companies indicated at the time of the policy signing, insurance coverage also exists for losses caused prior to the commencement date of the insurance policy (retroactive insurance). This does not apply to losses of which the policyholder or the claimant company, indicated as co-insured company at the time of signing the insurance policy, had been aware of at the moment of policy signing with EH.
2. For any co-insured companies added after signing the policy, insurance coverage also exists for losses caused prior to insurance coverage (retroactive insurance). This does not apply to losses of which the policyholder or the claimant company was aware prior to being co-insured.

#### § 42 When does insurance coverage end?

1. Insurance coverage ends at the moment the insurance policy terminates pursuant to § 59 GCI.
2. Insurance coverage for a co-insured company ends prior to the termination of the insurance policy pursuant to § 59 GCI
  - a) at the moment at which it meets none of the conditions of § 38 no. 1 GCI,

or

  - b) at the end of the current insurance year, provided that the policyholder cancels the co-insurance for that company three months prior to its termination.

§ 52 GCI remains unaffected by those regulations.

#### **§ 43 Within what time period do events of loss have to be notified?**

The policyholder must immediately notify an event of loss to EH. Events of loss notified to EH for the insured company more than 60 days following contract termination are excluded from insurance coverage.

#### **§ 44 Does insurance coverage also exist for events of loss discovered after the termination of insurance coverage?**

Beyond § 39 GCI, insurance coverage also exists for events of loss detected on behalf of the insured company and notified to EH within 60 days following the end of insurance coverage, provided that the damage has been caused prior to insurance coverage termination. For such events of loss, coverage will be excluded provided that the event is covered by another insurance policy at the time of detection. This applies independently of whether an insured company is entitled to indemnification based on any other insurance policy.

### **Insurance for third-party accounts**

#### **§ 45 What effects does a third-party account insurance have?**

The policyholder will sign the insurance policy for the co-insured companies on its own behalf (insurance for third-party accounts). Only the insured company, not the co-insured company will be entitled to exercise the rights from the insurance policy including court procedures. This also applies if the co-insured company is in possession of the Schedule to the policy. The entire communication will occur between EH and the policyholder exclusively.

EH is entitled and obliged to indemnify the policyholder and to reimburse costs. No co-insured company will be entitled to request indemnification or cost reimbursement.

Provided that the policyholder has sustained the loss, it must also indicate the awareness, the explanation and the conduct of co-insured companies.

Provided that a co-insured company has sustained the loss, it must indicate the awareness, the explanation and the conduct of the policyholder.

### **Sum insured**

#### **§ 46 What sum insured is available?**

**1.** For all events of loss detected during the insurance year by any insured company, the total insured sum constitutes the maximum amount payable by EH (losses and cost reimbursements). Various losses caused by one single person or jointly with other persons will count as one event of loss.

**2.** Provided that a self retention has been agreed, the sum insured will be available following the deduction of the self retention.

**3.** The events of loss discovered pursuant to § 44 GCI and subsequent to termination of insurance coverage for the insured company, will – in deviation from no. 1 – be attributed to the insurance year in which the day of insurance termination occurs. The insured sum agreed for this insurance year will remain the same. In deviation from § 39(2) GCI, the contractual provisions in effect at the time of contract termination are applicable with regard to insurance coverage.

**4.** Upon detection and report of an event of loss the insured company may for the remaining insurance year completely replenish (wholly or partly) the exhausted insured amount against a pro rata premium payment, to cover events of loss that occur at a later date. The insured amount will be fully available from the moment of EH approval with regard to subsequently detected events of loss.

### **Provisional Indemnification**

#### **§ 47 Under what conditions is provisional indemnification possible?**

Inasmuch as an insured person or a third party has been identified as the cause of a loss but the proof for obligatory compensation payments has not yet been provided the insured company may apply for a provisional indemnification under the claw-back clause, provided that EH has been presented with the following documents:

- 1.** A viable lawsuit submitted to a civil or labour court in which an insured company claims compensation of damages for a concretely calculated amount for wilful and unlawful acts by an insured person or a third party.
- 2.** Formal charges brought by legal authorities to a criminal court in which damages to an insured company are indicated, for a concretely calculated amount, for wilful and unlawful acts by an insured person or a third party.
- 3.** An acknowledgement of debt clearly indicating the liability of an insured person or third party to pay compensation of damages to an insured company for a concretely calculated amount, for wilful and unlawful acts, despite being disputed by the perpetrator.

EH will be entitled to assert objections, exceptions or exclusions resulting from the insurance policy, these GCI or legal regulations even in the event that a provisional indemnification has occurred.

#### § 48 What is the maximum provisional indemnification amount?

Within the parameters of the insured sum, it is possible to claim a provisional indemnification totalling 50% of the main claim asserted acc. to § 47 no. 1 GCI and/or 50% of the amount indicated in the disputed acknowledgement of debt acc. to § 46 no. 3 or of the damages resulting from the formal charges acc. to § 46 no. 2. The claimed amount may however never exceed 250,000.00 EUR.

The provisional indemnification will be limited to the amount that the policyholder would be eligible to receive from EH as final indemnification.

#### § 49 When does the claw-back clause not apply?

The claw-back clause does not apply if the finally concluded labour or civil court damage proceedings or the criminal proceedings show that an insured loss totalling at least the provisional indemnification plus the amount of a possible retention exists. The claw-back clause also does not apply if the validity of the disputed acknowledgement of debt has been legally determined in labour or civil court proceedings or if EH pays a final indemnification.

#### § 50 Under which conditions can EH reclaim the provisional indemnification?

Provided that the legally binding judgement of the legal proceedings described in §49 GCI shows that no insured loss exists, EH will be entitled to reclaim the provisional indemnification. EH remains entitled to assert objections, exceptions or exclusions resulting from the insurance policy, these GCI or legal regulations.

### General Exclusions

#### § 51 What damages are excluded from insurance coverage?

There is no insurance cover for the following losses:

1. Losses that have been caused indirectly (e.g. lost profits, interest, monetary penalties, fines or other federal payment obligations, ransom, extortion or immaterial damage, losses from discriminations and operational disruptions, public fees, reputational damage) unless those losses are explicitly insured based on the insurance policy or these GCI.
2. Losses caused by a personally liable partner of an insured company or partners with a more than 20% stake in an insured company,
3. Losses that have mostly been caused by war, warlike events, civil commotion, terrorism, orders by authorities, force majeure, nuclear energy or environmental impacts in accord with the Environmental Liability Act or the Water Resources Act,
4. Losses caused by the use of fire or mains water.

#### § 52 What effects do economic and trade sanctions (embargoes) have on insurance coverage?

The insurance coverage based on the insurance policy does not extend to risks and insured companies provided that and inasmuch as the insurance coverage including the obligations and acts of fulfilment based on the insurance policy would violate international economic and trade sanctions (e.g. by UN or EU) or domestic economic and trade sanctions.

Insurance coverage is excluded for losses caused by an insured person or a third party due to an infringement of international economic and trade sanctions (e.g. by UN or EU) or of domestic economic and trade sanctions.

### Premium

#### § 53 When are insurance premiums due?

The policyholder must pay the first insurance premium within two weeks following the receipt of the Schedule to the policy. The subsequent premiums will be due at the beginning of the following insurance year. The policyholders must pay the subsequent premium at the beginning of each insurance year.

#### § 54 What notifications are necessary for calculating the renewal premium?

At the beginning of each insurance year, the policyholder shall, upon request, provide EH the company addresses of all insured companies, including the number of insured persons pursuant to § 34 no. 1 to 3 GCI, for purposes of calculating the renewal premium. It is not necessary to indicate any changes to the number of insured persons that occurred after the notification.

If the policyholder's current information deviates from the information of the previous notification, the renewal premium will be reduced or increased respectively in line with EH business practices. The premium for the insurance year at the time of inquiry will remain unchanged.

If the policyholder does not meet its notification obligation by the beginning of the insurance year, it will be obliged to pay the renewal premium based on the most recent notification. As soon as EH is provided with the current data, EH will, if necessary, alter the renewal premium pursuant to paragraph 2.

If the policyholder does not meet its notification obligation by the beginning of the insurance year, it will be obliged to pay EUR 200.00 in addition to the premium provided that EH has duly reminded the policyholder at the beginning of the year and the policyholder does not provide EH with the information by the end of the third month of the insurance year. That payment obligation does not exist if the policyholder can prove that the failure to provide the information was not its fault.

If the policyholder makes deliberately wrong statements to the detriment of EH, it will be obliged to pay EH 10% of the premium (based on the correct information) in addition to the regular premium due.

## General conditions

### § 55 Is there a right to offset costs?

The policyholder will be entitled to offset EH premiums against claims from the insurance policy provided that EH has recognised such claims or they have been established legally.

### § 56 How will the indemnification amount be calculated in the event of material or data losses or damages?

Inasmuch as the loss has been caused by the loss of a material object, EH will pay an indemnification totalling the current value of the object.

Inasmuch as the loss has been caused by the damage to a material object, EH will pay an indemnification totalling the actual or probable cost of newly producing or procuring such object. The maximum amount will be limited to the current value of the object.

In the case of loss of data, EH will pay indemnification totalling the recovery costs.

§ 91 of the VVG does not apply.

### § 57 What currency is the policy based on?

The Euro is the contractual currency.

If a loss occurs in another currency, the reference exchange rate determined by the European Central Bank (ECB) at the day of the discovery of the insurance claim will serve as foundation for calculating indemnification. However, under no circumstances will the underlying reference exchange rate (by ECB) be higher than the rate determined at the day of EH's receipt of the written event of loss.

For all non-quoted currencies, the average exchange rate published by the Deutsche Bundesbank and/or, alternatively, by the ECB at the respective date will apply.

### § 58 Will claims be subrogated to EH?

Any legitimate compensation claims of the insured company against the insured person or a third party will, acc. to § 86 VVG, be subrogated to EH inasmuch as indemnification of loss has been paid. Rights that the insured company has obtained either for securing compensation claims against the insured person or a third party or rights that exist due to an abstract acknowledgment of debt must be ceded to EH even if those rights are not automatically subrogated to EH according to legal regulations.

EH is willing also to recover debts which have not been legally subrogated or automatically ceded to it and/or to alternatively commission a third party with such recovery. The individual agreement between the insured company and EH will define the details.

### § 59 When does the insurance policy end and under which circumstances is it possible to cancel the insurance policy?

The date and time of the insurance policy termination is stipulated in the Schedule to the policy. The insurance policy will be extended in each case by one year unless it is cancelled by the policyholder or EH three months prior to termination.

Upon notification of the event of loss, both the policyholder and EH may terminate the insurance policy. The policy partner must receive the cancellation notice at least one month following the termination of negotiations regarding obligatory indemnification. In case of a cancellation by EH, the minimum cancellation period is one month. If a cancellation is made by a policyholder, it will be able to determine whether the cancellation takes effect immediately or at another date, however no later than at the end of the current insurance year. If the policyholder does not indicate any date, the cancellation will end, obligatorily, at the end of the current insurance year.

If a policy is cancelled following an event of loss, EH will be entitled to a p.r.t. premium acc. to § 39 VVG.

### § 60 What form is required for declarations?

Unless otherwise stipulated in the contract, all statements and notifications issued by EH or the policyholder and affecting the insurance relationship will only be valid if issued in writing.

### § 61 Where is it possible to make legal claims and what law applies?

Hamburg will be the exclusive place of jurisdiction for proceedings against the policyholder, provided he is registered in HGB and has relocated his legal or normal residence outside the VVG territory after signing the insurance policy or if the policyholder's legal or normal residence is not known when the complaint is filed.

Unless otherwise determined in the insurance policy, German Law exclusively applies in exclusion of international civil law regulations.