

Terms and conditions of cyber insurance 1/2020

Effective as of 1 July 2020

These cyber insurance terms and conditions (hereinafter referred to as terms and conditions) form part of the cyber insurance contract entered into between the Estonian Branch of Compensa Vienna Insurance Group, ADB, the brand of which in Estonia is Seesam (hereinafter referred to as Seesam), and the policyholder.

1 Purpose of insurance contract

- 1.1 The purpose of the insurance contract is to compensate the policy holder for damages caused by a business interruption as well as other costs, as set out in these terms and conditions, which the policy holder has incurred due to a property insurance event.
- 1.2 Another purpose of the insurance contract is to protect the policy holder against claims from third parties under the conditions and in the extent set out in this document, insofar as these claims are related to the illegal violation of the safety of the policy holder's computer systems.

PROPERTY INSURANCE

2 Property insurance coverage area

- 2.1 In case of a property insurance event, Seesam is liable for paying out the insurance indemnity only if the policy holder incurs losses or damage, as specified in these terms and conditions, in the insurance coverage area agreed upon in the insurance contract.
- 2.2 The insurance coverage area is specified in the insurance policy.

3 Property insurance event

- 3.1 A property insurance event occurs when someone illegally interferes with the policy holder's computer data, hinders the functioning of the policy holder's computer system, illegally eliminates or alters the means of identification of terminal equipment, thus causing the policy holder to incur losses or damages specified in these terms and conditions.
- 3.2 The definition of interfering with computer data, hindering the functioning of a computer system, illegally eliminating or altering the means of identification of terminal equipment is interpreted pursuant to the meaning and content of these definitions as set out in legislation.

- 3.3 Illegal activity in this case is understood to be an offence, as defined in the Estonian Penal Code, or an attempted offence.

4 If a property insurance event takes place, the following losses or damages incurred by the policy holder are to be compensated for on the basis of the insurance contract:

4.1 Loss of profit due to business interruption;

- 4.1.1 Business interruption is an interruption in the policy holder's economic or professional activity that happens as a result of a property insurance event, which causes the policy holder loss of profit.
- 4.1.2 Loss of profit is presumed business profit that the policy holder would have earned during the business interruption if the property insurance event had not occurred.
- 4.1.3 The calculation of loss of profit is based on the policy holder's latest annual report submitted to the Estonian Commercial Register. The business profit provided in the annual report is divided by the number of days, resulting in the loss of profit per day, which in turn is multiplied by the number of days for which the business interruption lasted.
- 4.1.4 Loss of profit does not include costs that the policy holder would have incurred even without the business interruption (e.g. rental costs, wages, leasing payments, electricity bills, cost of raw material, value added tax, income tax, etc.).
- 4.1.5 Loss of profit does not include a fall in stock prices caused by the property insurance event.
- 4.1.6 If the policy holder finds that the loss of profit calculated in clause 4.1.3 is smaller than the actual loss of profit, the burden of proof regarding the actual loss of profit lies with the policy holder.
- 4.1.7 If the policy holder has never filed an annual report, then the policy holder is obligated to prove the actual loss of profit that they would have earned if the property insurance event had not occurred.

- 4.1.8 When a business interruption occurs and the policy holder files a loss of profit claim, the policy holder will bear the burden of proving loss of profit and cooperate with Seesam in any way necessary to calculate the loss of profit, incl. submitting to Seesam accounting documents pertaining to the business profit of the period preceding the insured event.
- 4.1.9 Loss of profit caused by a business interruption is compensated from the time when the insured property event occurred until the moment when the circumstances causing the business interruption ceased to exist. Seesam's compensation obligation is limited to the sum insured, as specified in the insurance contract.
- 4.1.10 If the circumstances that caused a business interruption do not cease to exist within 12 months since the occurrence of the insured event, and the sum insured in the insurance contract is sufficient, then Seesam will compensate the policy holder for the loss of profit caused by the business interruption in the extent of a maximum of 12 months since the day when the property insurance event occurred.

4.2 Labour costs paid by the policy holder during the business interruption;

- 4.2.1 Under the insurance contract, Seesam compensates the policy holder for the labour costs of those employees of the policy holder who were during the business interruption unable to perform their agreed tasks due to the business interruption, but to whom the policy holder was obligated to pay wages according to the employment relationship entered into between the parties.
- 4.2.2 In addition to the labour costs arising from the contract constituting an employment relationship, Seesam will compensate the policy holder for national labour taxes, which the policy holder is obligated to pay according to law. These national taxes are first and foremost social tax and unemployment insurance premium.
- 4.2.3 If the policy holder incurs labour costs due to the business interruption that are not referred to in clause 4.2.2, but which the policy holder is obligated to incur according to law, the policy holder will bear the burden of proving the grounds for and the size of such costs.
- 4.2.4 To calculate the size of wages, the policy holder is obligated to present to Seesam a list of the employees who were unable to perform their duties before the policy holder due to the circumstances referred to in the property insurance event. The policy holder also has to provide Seesam with copies of the employment contracts entered into with these employees,

duty rosters, potential hourly wage rates and other facts necessary to calculate the size of the insurance indemnity.

4.3 The rent to be paid by the policy holder for the duration of the business interruption;

- 4.3.1 The insurance contract states that the policy holder is compensated for the rent paid during the business interruption, which the policy holder is obligated to pay under a lease contract that the policy holder has entered into.
- 4.3.2 For the compensation of rental costs, the policy holder must provide Seesam with copies of the lease contract necessary to calculate the size of the insurance indemnity.

4.4 Costs related to crisis communication;

- 4.4.1 Under the insurance contract, costs related to crisis communication are compensated for in the sum specified in the contract. One part of crisis communication are services provided by communications companies whose aim is to limit further reputation damage.

4.5 Notification costs;

- 4.5.1 Under the insurance contract, costs necessary to notify the public about potential injured parties or a security violation are compensated.

4.6 Reasonable costs related to identifying and decreasing damage.

- 4.6.1 Among other costs, costs needed to restore the situation preceding the insured event are compensated, incl. costs needed to restore computer systems.

5 Policy holder's obligation to avoid a potential insured event

- 5.1 The policy holder is obligated to:
- 5.1.1 Install a firewall and antivirus software in their computer systems and constantly perform software updates ensuring the safety of computer systems;
- 5.1.2 Regularly make copies of the data at their disposal and keep them separate from the originals;
- 5.1.3 Notify their employees of potential cyber threats;
- 5.1.4 Educate their employees to use computers and their systems as safely as possible;
- 5.1.5 Keep their books according to legislation and good accounting practices.
- 5.2 If the policy holder breaches any of the obligations set out in clause 5 of these property insurance terms and conditions, the legal consequences set out in Seesam's general contractual terms and conditions will be applied.

5.3 In addition to the obligations set out in these terms and conditions of property insurance, the policy holder is obligated to perform their duties arising from Seesam's general contractual obligations.

6 Policy holder's obligations after an insured event

- 6.1 In addition to the obligations arising from these terms and conditions as well as Seesam's general contractual terms and conditions, in case of an insured event, the policy holder will be obligated to file a statement with the police regarding a potential crime.
- 6.2 The policy holder is obligated to prove both the occurrence of an insured event as well as the size of damage. In case the policy holder violates the burden of proof, Seesam will be under no obligation to pay out an insurance indemnity.
- 6.3 If the policy holder violates any of the obligations set out in clause 6 of the terms and conditions of property insurance, the legal consequences provided for in Seesam's general contractual terms and conditions will be applied.

7 Events precluding the paying out of insurance indemnity

- 7.1 The following damage will not be compensated for under the insurance contract:
 - 7.1.1 Damage caused by events other than the insured event referred to in clause 3.1;
 - 7.1.2 Damage caused by a power failure, or the acts or omissions of phone or telecommunications companies;
 - 7.1.3 Damage caused by the use of pirated software;
 - 7.1.4 Damage caused by the policy holder's employees or other people who have been granted access to the policy holder's computer systems;
 - 7.1.5 Damage caused by the illegal use of intellectual property of theft thereof.
- 7.2 In addition to the above, the policy holder will not be compensated under the insurance contract for money swindled from the policy holder or for damage caused outside the coverage area provided for in the insurance contract.

LIABILITY INSURANCE

8 Insurance coverage area and insurance period in liability insurance

- 8.1 After a liability insurance event, Seesam will be obligated to pay out insurance indemnity only if the liability of the policy holder is created in the coverage area agreed upon in the insurance contract and during the insurance period (prerequisite for a coverage area and insurance period claim).

8.2 Determining whether or not the policy holder's liability was created in the coverage area defined in the insurance contract is based on the legislation of the country where the injured party is entitled to file a claim of damage compensation against the policy holder.

8.2.1 If the country under whose law the injured party is entitled to file a claim against the policy holder is located in the coverage area specified in the insurance contract, the prerequisite for the coverage area claim will be deemed as fulfilled pursuant to the insurance contract.

8.3 Determining whether or not the liability of the policy holder was created during the insurance period defined in the insurance contract is based on the moment when the injured party's damage compensation claim against the policy holder becomes collectable.

8.3.1 If the moment when the claim of the injured party against the policy holder becomes collectable occurs during the insurance period defined in the insurance policy, the prerequisite for the insurance period claim will be deemed as fulfilled pursuant to the insurance contract.

8.3.2 According to the general prerequisite arising from law, the damage compensation claim of the injured party becomes collectable from the moment the damage is discovered.

8.3.3 If the claim for the compensation of damage becomes collectable at a point in time other than the moment defined in clause 8.3.2, the burden to prove and give grounds for the claim is on the person who wishes to state the opposite.

8.4 The insurance coverage area and the insurance period are specified in the insurance policy.

9 Liability insurance event

9.1 A liability insurance event occurs when someone illegally interferes with the policy holder's computer data, hinders the functioning of the policy holder's computer system, illegally eliminates or alters the means of identification of terminal equipment, thus creating for the policy holder the obligation, as arising from a contract or the law as well as these terms and conditions, to compensate damages to the injured party/parties.

9.2 Illegal activity is in this case is understood to be an offence, as defined in the Estonian Penal Code, or an attempted offence.

9.3 The definition of interfering with computer data, hindering the functioning of a computer system, illegally eliminating or altering the means of identification of terminal equipment is interpreted pursuant to the meaning and content of the terms as defined in legislation.

- 9.4 The contractual liability to compensate for damages is an obligation arising from a contract entered into between the policy holder and the injured party that the policy holder has violated because of the event referred to in clause 8.1 of these terms and condition, which creates for the policy holder the contractual obligation to compensate the injured party for damages.
- 9.5 The obligation to compensate damages that arises from the contract entered into between the policy holder and the injured party may be more extensive than the damage compensated on the basis of the insurance contract. Seesam will compensate the policy holder for the damage caused by the policy holder to a third party only in the sum set out in the insurance contract (see also clause 13.1.3).
- 9.6 The damage compensation obligation arising from law is understood as the prestation arising from the contract between the policy holder and the injured party and the damage compensation obligation that arises from it.
- 9.7 The policy holder's damage compensation obligation that arises from legislation may be more extensive than the damage compensated under the insurance contract. Seesam will compensate the policy holder for the damage caused by the policy holder to a third party only in the extent specified in the insurance contract.
- 9.8 An injured party is, according to the insurance contract, a person to whom the policy holder has caused damage referred to in these terms and conditions and who is not a party to the insurance contract (policy holder or the insurer) or an insured person.
- 9.9 As an exception to clause 9.8, an injured party is not a company under the influence of the policy holder or a company belonging to the same group as the policy holder, nor the policy holder's employees.

10 In case a liability insurance event occurs, the insurance contract provides for the compensation of the following damages and costs incurred by a third party, as proven by the third party, which the third party is entitled to claim from the policy holder pursuant to legislation or a contract:

- 10.1 Direct patrimonial damage caused to a third party that has not been excluded in these terms and conditions;
- 10.2 A third person's loss of profit;
- 10.3 Non-patrimonial damage caused to a third party;
- 10.4 Expert analysis and legal assistance costs, legal expenses, costs related to the size of damage, and potential fines for delay.

11 Costs for legal assistance incurred by the policy holder

- 11.1 In case of a potential liability insurance event, the policy holder is compensated under the insurance

contract for expert analysis and legal assistance costs, if they have been agreed upon with Seesam beforehand and are necessary for combating a claim from an injured party, according to the following conditions.

- 11.2 The legal assistance costs needed to combat claims against the policy holder will be compensated when the following circumstances exist simultaneously:
- 11.2.1 The policy holder needs legal assistance to combat claims against them;
- 11.2.2 There are no limitations in the terms and conditions or the insurance policy that preclude Seesam's obligation to comply;
- 11.2.3 The person giving legal assistance to the policy holder has agreed upon the legal assistance contract with Seesam, at the very least in a format which can be reproduced in writing.
- 11.3 If Seesam has paid the legal assistance costs to the policy holder in advance and a court order states that the injured party has to compensate the policy holder for legal assistance costs, then the policy holder will be obligated to repay Seesam the legal assistance costs awarded by the court.

12 Expert analysis costs incurred by the policy holder

- 12.1 Expert analysis costs are to be compensated for when the following circumstances exist simultaneously:
- 12.1.1 The expert analysis costs have been agreed upon with Seesam beforehand;
- 12.1.2 The expert analysis is necessary to determine the reason for, as well as the extent and size of the damage;
- 12.1.3 There are no limitations referred to in these terms and conditions.
- 12.2 If Seesam has compensated the policy holder for the expert analysis costs in advance and a court rules that the injured party has to compensate the policy holder for the expert analysis costs, the policy holder will be obligated to repay to Seesam the sum of expert analysis costs.
- 12.3 If the expert analysis finds that the damage was caused due to some limitations referred to in these terms and conditions, Seesam has the right to demand that the policy holder repay the expert analysis costs that Seesam had compensated.
- 12.4 Legal assistance costs and expert analysis costs are at a maximum compensated in the liability sum referred to in the policy.

13 General preclusions of a liability insurance event

- 13.1 The following will not be compensated for under the insurance contract:

- 13.1.1 Personal injuries or property damage. Personal injuries for the purposes of these terms and conditions are damages caused by physical harm, bodily injuries or death. Property damages for the purposes of these terms and conditions are damages caused by the damage, destruction or loss of a thing;
- 13.1.2 Public law financial obligations (fines, penalty payments, precepts by tax administrators) and fines imposed in a criminal or misdemeanour procedure;
- 13.1.3 The part of the damages that the injured party is entitled to demand from the policy holder only on the basis of a contract and that exceeds the size of the damages in the extent that the injured party would be entitled to demand pursuant to legislation;
- 13.1.4 Damages that the policy holder was aware of or must have been aware of when entering into the insurance contract;
- 13.1.5 Damage caused by the employees of the policy holder or other persons who have been granted access to the policy holder's computer systems;
- 13.1.6 Damage caused by the illegal use or theft of intellectual property;
- 13.1.7 Damage caused because the policy holder had not installed a firewall on their computer or updated their antivirus software by the moment the insured event occurred;
- 13.1.8 Damage that has occurred outside the coverage area specified in the insurance contract.

14 Right of claim and time for filing claims

- 14.1 The right to receive insurance indemnities is only reserved to persons related to an insurance risk that has been insured. It is presumed that this person is the policy holder.
- 14.2 Injured parties are not entitled to demand that Seesam pay them insurance indemnities without the policy holder's relevant consent.
- 14.3 Insured parties are entitled to file with Seesam an insurance indemnity claim within three years since the damage incurred during the insured period due to which the injured party became entitled to demand that the insured person compensate the damages.
- 14.4 The limitation period starts from the end of the calendar year of the damage that was incurred during the insurance period.
- 14.5 The insured person's insurance indemnity claim against Seesam will be suspended for the duration of legal proceedings in a situation where the injured party files an action with a court of law against the insured person.

- 14.6 The prerequisites for the suspension of an insurance indemnity claim are:

- 14.6.1 The liability-creating damage occurred during the insurance period;
- 14.6.2 The insured person immediately notified Seesam about legal proceedings;
- 14.6.3 If the claim of the injured party against the insured person expires, then the claim of the insured person against Seesam also expires at the same moment.

15 Policy holder's obligation to notify Seesam about all circumstances

- 15.1 The policy holder is obligated to submit to Seesam in at least a format which can be reproduced in writing any explanations and proof that are important in assessing the grounds for a potential liability.
- 15.2 The policy holder is obligated to submit to Seesam in at least a format which can be reproduced in writing any explanations and proof that are important in assessing the circumstances under which the damage was incurred, and the extent or size of the damage.
- 15.3 If the policy holder violates the obligations referred to in clauses 15.1 and 15.2, Seesam will be released from its commitments partially or completely.
- 15.4 The policy holder is obligated to notify Seesam immediately about a potential insured event and follow any instructions they receive from Seesam.
- 15.5 The policy holder is obligated to notify Seesam immediately about civil proceedings, administrative court proceedings, criminal proceedings or misdemeanour proceedings related to a potential insured event.

16 Loss adjustment in case of liability insurance

- 16.1 Seesam will not form an opinion about damage compensation or the compensation of legal assistance or expert analysis costs before the injured party has submitted against the policy holder in writing a damage compensation claim with proof backing up the claim, which indicates what the injured party is demanding from the policy holder and on which legal grounds.
- 16.2 Seesam is entitled to conduct negotiations with third parties on behalf of the policy holder.

17 Definitions

- 17.1 The sum insured is the sum agreed upon in the insurance contract and specified in the insurance policy, which is the maximum sum of all insurance indemnities to be paid out during the insurance period. The sum insured decreases over the insurance period by the insurance indemnities already paid out.

17.2 Deductible is the sum of money specified in the insurance contract or another value specified in the insurance contract (percentage of damages, period, etc.), which constitutes the policy holder's own contribution in any insured event.