



DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

TERMS AND CONDITIONS
CUSTOMER INFORMATION

D&O_001-2023_ENG

COLONNADE 
A FAIRFAX COMPANY

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1. INTRODUCTORY PROVISIONS

This Directors' and Officers' liability insurance is concluded between the **policyholder** and the **insurer**, Colonnade Insurance S.A. Branch Office in Hungary.

The insurance is governed by the policy and these insurance terms and conditions and is concluded as insurance against loss.

2. INSURED SECTION A - DIRECTORS' AND OFFICERS' COVER

2.1 Directors' and officers' liability

The **insurer** agrees, subject to the terms, conditions, limitations and exclusions of this policy, to pay on behalf of an **insured person** in respect of his liability for:

- a) compensation of damages and costs awarded against such **insured person** by a court, arbitration court or arbitrator or tribunal empowered to do so or agreed as a settlement with the prior written consent of the **insurer**; or
- b) compensation in respect of breach of rights of protection of human dignity and civil honour and slander awarded against such **insured person** by a court, arbitration court or arbitrator or tribunal empowered to do so; or
- c) multiple, exemplary or punitive damages (provided these are in addition to compensatory damages and not a form of tax, fine or similar penalty) awarded by a court or tribunal outside of the United States of America, if indemnity for this is lawful under the laws of the territory of that court or tribunal; and arising solely from a **claim** first made during the **period of insurance**, except to the extent that the **company** has indemnified the **insured person** in respect of that **claim**.

2.2 Outside company directors

The **insurer** agrees, subject to the terms, conditions, limitations and exclusions of this policy, to pay on behalf of each **director or officer** in respect of his liability for damages, costs, and settlements as identified in clauses 2.1 a) – c) incurred by him whilst acting in the capacity of director or officer of any **outside company** and arising solely from a **claim** first made during the **period of insurance** and only to the extent that:

- a) the **outside company** or any other insurance policy is not able to indemnify the **director or officer** in respect of that **claim**; or
- b) the **company** has not indemnified the **director or officer** in respect of that **claim**.

2.3 Company reimbursement

If the **company** lawfully indemnifies an **insured person** for a **claim** otherwise insured under clauses 2.1 or 2.2, the right for insurance payment under this policy, subject to the terms, conditions, limitations and exclusions of this policy, shall be transferred to the **company** to this extent. This article shall apply in case that indemnification of the **insured persons** by the **company** is permitted by a relevant jurisdiction.

3. INSURED SECTIONS B – COVERED COSTS AND EXPENSES

3.1 Defence costs & expenses

In respect of **claims** covered by Insured Section A the **insurer** also agrees, subject to the terms, conditions, limitations and exclusions of this policy, to pay **defence costs and expenses** which are incurred by an **insured person** with the **insurer's** prior written consent in the:

- 3.1.1 defence, negotiation and settlement of any **claim**;
- 3.1.2 defence of **extradition proceedings** commenced in respect of a **claim**;
- 3.1.3 defence of **asset and liberty proceedings**.

3.2 Bail Bond and Civil Bond Premium

The **Insurer** will pay the **Bail Bond and Civil Bond Premium** of each **Insured Person**.

3.3 Pre-Claim Inquiry

Subject to the Sub-Limit specified in the policy the **Insurer** will pay the **Pre-Claim Inquiry Costs** of each **Insured Person** arising from a **Pre-Claim Inquiry**.

3.4 Circumstances/Claim Mitigation

The Policyholder or the Insured is obliged to take all reasonable measures to prevent and mitigate the damage. Subject to the Sub-Limit specified in the policy, the **Insurer** will pay the **Mitigation Costs** and **Professional Fees** incurred by an **Insured Person**, with the **Insurer's** prior written consent, to minimise the risk of a **Claim** against an **Insured Person** provided that:

- a) notification of the relevant circumstances has been made to the **Insurer** in accordance with Section 7.1 (When to notify); and
- b) if the circumstances notified in accordance with (a) above were to give rise to a **Claim**, that **Claim** would result in a civil legal liability of the **Insured Person** to the potential claimant, but no such **Claim** has yet been made by the potential claimant; and
- c) the **Mitigation Costs** are reasonably and necessarily incurred by the **Insured Person** and the **Mitigation Costs** are paid directly or indirectly to each potential claimant for the principal purpose of avoiding a **Claim(s)** being made by that potential claimant for a specific **Wrongful Act**; and
- d) the **Professional Fees** are reasonably and necessarily incurred by the **Insured Person** to negotiate and facilitate the payment of **Mitigation Costs**; and
- e) the liability of the **Insurer** under this Section 3.4 (Circumstance / Claim Mitigation) shall not exceed the liability that would have existed under this policy if the **Claim** had been made against the **Insured Person** by the potential claimant.

In no event shall Section 3.4 (Circumstance / Claims Mitigation) include the remuneration of any **Insured Person**, costs of their time or any other costs or overheads of any **Company**.

3.5 Reputation recovery expenses

The insurer will pay the reputation recovery expenses of each Insured Person, subject to the Sub-Limit specified in the policy.

3.6 Civil fines and penalties / Civil Money Penalties

The **Insurer** will pay civil fines and civil penalties (to the extent such are insurable by the relevant law) assessed against any **Insured Person** which an **Insured Person** is legally liable to pay pursuant to any **Claim**, but only where there has been no determination of intentional, grossly negligent or deliberate breach of the law by the **Insured Person**.

3.7 Cost of the necessary psychological care in case of stress-related illness caused by a claim

The insurer will pay the cost of the necessary psychological care / crisis coaching of each insured person in case of a verifiable stress-related illness caused directly by a claim made against the insured person, subject to the Sub-Limit specified in the policy and the prior written consent of the insurer.

3.8 Cost of the replacement of the company car

If the **insured person** during the **period of insurance** is entitled to unlimited private usage of a company car as part of their remuneration package and the **insured person** loses this benefit as a direct result of a **claim** made against him the **insurer** will pay the rental cost of a similar model in the same category, subject to the Sub-Limit specified in the policy and the prior written consent of the **insurer**.

4. INSURED SECTION C – EXTENDED COVER

4.1 Extended Reporting Period

Unless a **transaction** occurs or the policy is cancelled by the **insurer** due to premium non-payment, the **policyholder** shall be entitled to an **extended reporting period**:

- automatically for 12 months if this policy is not renewed or replaced; or

Should the **Policyholder** elects to purchase a period longer than the 12 months **Extended Reporting Period** provided under this section, the **Insurer** may decide on the approval of the **Policyholder's** request to purchase an **Extended Reporting Period**, if no later than on the 30th day before the last day of the **Period of Insurance**, the request to purchase **Extended Reporting Period** is received by the **Insurer**.

Based on the decision of the **Insurer**, the **Limit of indemnity** for the **Extended Reporting Period** may differ from the amount of the **Limit of indemnity** available to the **Policyholder** in the last **Period of Insurance**.

The 12 months automatic **Extended Reporting Period** specified above does not apply in the event of a **Transaction** or the termination of the insurance contract due to non-payment of premiums.

If a **Transaction** occurs, the **Policyholder** may request the purchase of **Extended Reporting Period** up to 72 months on such terms and conditions and for such additional premium as the **Insurer** may decide.

An **Extended Reporting Period** under this Extension 4.1. (**Extended Reporting Period**) is non-cancellable.

4.2 Lifetime Run-Off for Retired Insured Persons

The **insurer** will provide an unlimited **extended reporting period** for any current or future **insured person** who retires, resigns or the **company** terminates or not renews the contract with him, other than by reason of a **transaction** during the **period of insurance**, provided that, on expiry of this policy:

- a) this policy is not renewed or replaced with any other management liability cover; or
- b) where this policy is renewed or replaced with any other management liability cover, such renewal or replacement policy does not provide an extended reporting period of at least six (6) years for such retired **insured persons**.

4.3 Special Excess Protection for Non-Executive Directors

4.3.1 For **claims** made against a **non-executive director** but for the limit of indemnity under this policy being exceeded, the **insurer** will provide an additional limit up to the sum specified in the in the policy to pay on behalf of the **non-executive directors**. Such additional limit will be payable provided that:

- a) the limit of indemnity under this policy, and
- b) all other applicable insurance whether written as excess over the limit of indemnity of this policy or otherwise, and
- c) all other indemnification for such **claim** available to such **non-executive directors**, whether from the **company** or otherwise have been exhausted.

- 4.3.2** The sum specified in the policy in respect of this clause 4.3 is the maximum payable by the **insurer** and in the aggregate irrespective of the number of:
- a) **claims** made, or
 - b) claims for insurance payment made under this policy, or
 - c) **non-executive directors** entitled to indemnity under this policy, or
 - d) **wrongful acts**.

4.4 New Subsidiary

The definition of **subsidiary** will be automatically extended to include any entity of which the **policyholder** acquires **control**, either directly or indirectly through one or more of its **subsidiaries**, during the **period of insurance** provided that such entity:

- a) does not have any of its **securities** listed on an exchange or market in the United States of America; or
- b) has, as of the date of the acquisition, assets which are less than or equal to 25% of the total consolidated assets of the **policyholder** as of the inception date of the policy, or
- c) is not a **financial institution**.

For any such entity that has any of its **securities** listed on an exchange or market in the United States of America, or has total assets greater than 25% of the consolidated assets of the **policyholder** as at the inception date of this policy, or is a **financial institution**, this Extension 3.1 (New Subsidiary) shall not apply.

4.5 Emergency Costs

If the **Insurer's** prior written consent cannot reasonably be obtained before **Defence Costs and Expenses** or **Pre-Claim Inquiry Costs** are incurred, then the **Insurer** shall give retrospective approval for such costs, subject to the Sub-Limit specified in the policy.

5. INSURED SECTION D – ENTIY PROTECTION FOR SECURITIES CLAIMS

The **insurer** agrees, subject to the terms, conditions, limitations and exclusions of this policy, to pay on behalf of the **insured** in respect of their liability for compensation of damages and costs awarded against the **insured** by a court, arbitration court or arbitrator or tribunal empowered to do so or agreed as a settlement with the prior written consent of the **insurer** (such consent can not be unreasonably withheld) in respect of a **Security Claim**.

6. EXCLUSIONS AND LIMITATIONS

This policy does not provide cover for cost and expenses and does not cover and excludes claims:

6.1 Bodily injury or property damage, products and services

- 6.1.1 for actual or alleged **bodily or psychological injury**, sickness, disease or death of any person or, **property damages** (damage to or destruction of any tangible property, including loss of use thereof), and the consequential financial losses thereof, however defence cost and expenses related to bodily injury and property damages are covered. This exclusion does not apply to emotional distress or mental anguish brought as part of a claim arising out of any employment practice violation, provided such compensation is allowed by the relevant jurisdiction;
- 6.1.2 arising out of services provided, works delivered or products manufactured, produced, processed, sold or developed by the insured.

**6.2 Dishonest conduct and personal profit
directly or indirectly arising out of, based upon or attributable to:**

- 6.2.1 any actual dishonest, fraudulent, or malicious act of any insured person or wilful damage, deliberate violation of law, regulation, resolutions, authorities or instruction by any insured person, or**
- 6.2.2 any insured person gaining any actual profit or advantage or receiving any remuneration to which they are not legally entitled;**

in the event that any of the above is established by final, non-appealable adjudication made by court or arbitration or tribunal empowered to do so in any action or proceeding or by any formal written admission by the insured that the relevant conduct did in fact occur.

**6.3 Insured vs. insured claims made within the USA
based upon any federal, state or local laws, rules or regulations of the United States of America or brought or maintained within the United States of America or their territories or possessions and made by or on behalf of the company or by or on behalf of any insured person.**

This exclusion does not apply to any claim against an insured person:

- 6.3.1 brought by or at the direction of any liquidator, provisional liquidator, administrator or receiver of the company;**
- 6.3.2 made by a former director or officer;**
- 6.3.3 for indemnity in respect of a claim made by an independent third party without the procurement or instigation of any insured person or agent of the company;**
- 6.3.4 in the form of a derivative action; or**
- 6.3.5 where the insured person is a former director or officer; or**
- 6.3.6 in respect of defence costs and expenses;**

**6.4 Non-covered acts
directly or indirectly arising out of wrongful acts committed (or alleged to have been committed):**

- 6.4.1 after the date of a transaction; or**
- 6.4.2 prior to the date of acquisition by the company of a subsidiary company;**

6.5 Prior / pending litigation, known claims, facts and circumstances

- 6.5.1 directly or indirectly arising out of the circumstances underlying any claim or any legal, administrative or regulatory proceedings against the insured first made or commenced prior to the continuous cover date; or**
- 6.5.2 directly or indirectly arising out facts, which have already been known by the insured at the time of the continuous cover date or directly or indirectly arising out circumstances which might reasonably be expected to produce a claim which have already been known by the insured at the time of the continuous cover date.**

6.6 Exclusion of USA Securities and derivatives Claims

By this endorsement it is agreed and confirmed that the Insurer shall not be obliged to pay any indemnification or any other amount on the basis of any coverage or extension of cover in respect of any Loss related to a Claim made in US jurisdiction which is related in any manner to Securities or any derivatives related to Securities.

6.7 Court Order

The Insurer will not provide insurance coverage if a Court Order is issued against the Insured.

7. DUTIES IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM

The company and the insured person are obliged to fulfil the duties below. If they do not comply with these obligations the insurer may, in accordance with relevant statutory rules, reduce or refuse payment of any covered costs and expenses and claim or withdraw from the policy. If any payment on account of any such claim or covered costs and expenses has already been made by the insurer, the company or the insured person shall repay immediately all such payments to the insurer. The applicable insured or policyholder shall reimburse the insurer for any payments which are ultimately determined not to be covered by this policy.

7.1 When to notify

The company or the insured person shall give the insurer written notice as soon as practicable of:

- 7.1.1 any claim but in all events no later than till the end of the period of insurance or applicable extended reporting period;
- 7.1.2 any pre-claim inquiry or any circumstances that might reasonably be expected to give rise to a claim, but in all events no later than the end of the period of insurance.

If notice of a Claim or circumstance is given as required by this policy, then any subsequent Claim, alleging, arising out of, based upon or attributable to the facts or acts, errors or omissions alleged in that Claim or notice of circumstance, shall be deemed to have first been made at the same time as that Claim or notice of circumstance was first made, and reported to the Insurer on the date the required notices were first provided.

Any Claim or series of Claims arising out of, based upon or attributable to continuous, repeated or related acts, errors or omissions, whether or not committed by more than one Insured and whether directed to or affecting one or more person or entity, shall be considered a single Claim for the purposes of this policy.

If an insured elects not to seek coverage for a pre-claim inquiry it will not prejudice the right of the insured to seek coverage for a claim arising out of the same circumstances provided the claim is notified in accordance with this Section 7.1 (When to notify)

7.2 Whom to notify

Notice to the insurer must be given to the claims notification address specified in the policy.

7.3 What to notify

7.3.1 In case of a claim or pre-claim inquiry

As the very first step the insured provides the insurer with the copy of the pre-claim inquiry or the claim made against the insured or any document which points out that a claim will be enforced against the insured.

During the process on the request of the insurer the following documents shall be provided to the insurer:

- Copy of the correspondence in relation to the claim;

- Summary in written form about the conduct or omission of the **insured** that may lead or might have led to the damage or loss; how and when the damage was discovered; when and in what amounts the damage or loss may arise or has arisen;
- Written self evaluation of the **insured** about his liability;
- Appointment to a position, employment agreements, job descriptions, internal policies or other document that contains the responsibilities, rights of the manager/officer and the liability rules;
- In case special professional requirements should be met for the fulfilment of a position, certifying the compliance with these requirements, copy of the diploma or other document certifying the professional qualification, curriculum vitae;
- Decisions, resolutions, reports and other documents of official investigation and other procedures carried out regarding the case (criminal procedure, tax authority, ethical, procedure, internal audit, procedure of the Board of Directors/Supervisory Board, auditor, procedure of the any **official body**, civil procedure, liquidation procedure, enforcement proceeding, etc.)
- Declaration about appointing the legal representative without the involvement of the insurer or requesting the Insurer to appoint it for him;
- Documents certifying the amount of the claim: statements, registers, financial statements, balance sheets, extracts of the accountancy, expert opinions, invoices, decisions of the authorities, protocols/reports;
- If a conduct or omission similar to the conduct or omission that led to the damage occurred previously, the relating documents and such documents or agreements that certify what results of what actions were taken in order to mitigate certain losses/damages or similar losses or damages that may arise in the future.

In case a certain document is not available to the **insurer**, or the above documents are in contradiction or may raise further issues that need clarification, the **insurer** reserves the right to request other documents, information or means of proof that are listed above.

The above list was prepared on the basis of the **insurer's** claim experiences, the typical damages and claims. Therefore, in case an exceptional or untypical **claim** will occur that can be evidenced only by enclosing additional or other documents/means of proof that vary from the above, the **insurer** also reserves the right to request other than the aforementioned documents.

In such cases the Insurer undertakes to inform the insured/claimant or their representatives about the requested documents or means of proof.

The Policyholder/Insured is obliged to submit all necessary documents in Hungarian and/or English during the settlement of the claim. Failing this, the Policyholder/Insured shall bear the additional costs caused by the failure to comply with this obligation.

7.3.2 In case of reporting a circumstances

Any **insured** may, during the **period of insurance**, notify the **insurer** of any circumstance reasonably expected to give rise to a **claim**. The notice given under clause 7.1.2 must include the reasons for anticipating that **claim**, and full relevant particulars with respect to dates, the **wrongful act** (if applicable) and the potential **insured** and claimant concerned.

7.4 Admission & settlement

The **insured** shall not admit liability or attempt to settle or make any admission with respect to any **claim** without the **insurer's** prior written consent, such consent not to be unreasonably withheld. Only liabilities, settlements and judgments resulting from **claims** defended in accordance with this policy shall be covered under this policy.

The **insurer** shall not settle any **claim** without the **insured's** consent.

Where there is a dispute between the **insured** and the **insurer** as to whether a **claim** should be settled or should continue to be defended, within 30 days after notice of such dispute, the **Insurer** shall refer the matter to an **independent lawyer**, to be paid for by the **insurer**, who shall determine whether, on the balance of probabilities, the **insured** is likely to succeed in defending the **claim** to final resolution or whether the **claim** should be settled. The **independent lawyer** shall determine the amount for which that **claim** could have been settled at the **insurer's** expense, taking into account the economics of the matter, the damages and costs which are likely to be recovered by the claimant, the likely costs of defence and the prospects of the **Insured** successfully defending the action.

If the **independent lawyer** determines that the **claim** should be settled, and if the claimant and the **insurer** are amenable to a settlement the **insured** may elect to continue the defence of that **claim** without the **insurer's** prior written consent provided that the **Insurer's** liability is limited to the amount that the **claim** could have been settled for, plus **defence costs and expenses** incurred to the date of the proposed settlement. If the **claim** ends up costing more than it could have been settled for, the additional costs are not going to be covered by the insurance.

7.5 Incurring covered costs and expenses

The **insurer** shall only be liable to pay **defence costs and expenses** and any other covered costs and expenses (according to Insured Section B of this policy) to which it has given its prior written consent, such consent not to be unreasonably withheld.

7.6 Advancement of covered costs & expenses

In respect of any **claim** or event covered by this policy, the **insurer** will advance the covered costs and expenses (according to Insured Section B of this policy) prior to the final settlement of a **claim**. Such advance payments by the **insurer** shall be:

7.6.1 subject to the application of the retention, if any;

7.6.2 part of and not exceed the limit of indemnity; and

7.6.3 repayable to the **insurer** by the **insured persons** or the **company** severally according to their respective interests in the event and to the extent that it is determined that they were not entitled under this policy to payment of such covered costs and expenses.

7.7 Appointment of lawyers

The **insured persons** may appoint lawyers to represent them in defending any **claim**, subject to the **insurer's** prior written consent. Where the same or a similar **claim** is made against more than one **insured person** or against the **company** and any **insured person**, the same lawyers shall be appointed to defend all of them unless there is a material conflict of interest between them. The **insurer** will accept as necessary the retention of separate legal representation to the extent required by a material conflict of interest between any **insureds**.

7.8 Information & assistance

The **insureds** shall disclose to the **insurer** all relevant information and, in addition, shall provide assistance to the **insurer** to enable the **insurer** or its agents to investigate and/or to defend any **claim** (including without limitation by way of compliance with any protocol or other procedural requirements which may be relevant to the jurisdiction in which the **claim** is brought) and/or to enable the **insurer** to determine its liability under this policy.

7.9 Allocation of insurance benefits

The **insurer** will be liable only for payments derived exclusively from a covered **claim**. If a **claim** involves both covered and uncovered matters or persons under this policy, then the **insured** and the **insurer** shall use reasonable efforts to determine a fair and equitable allocation of payments covered under this policy, on the basis of established judicial allocation principles which take into account the legal and financial exposures, and the relative benefits obtained by the

relevant parties. The **insured persons** or where applicable, the **company** and the **insurer** shall use their best efforts to agree this amount; and

If the **insurer** and the **insured** cannot agree on allocation in accordance with this clause within 30 days, then they agree to refer the determination to an **independent lawyer, to be paid for by the insurer** whose decision shall be final and binding on all parties. The **insured** and the **insurer** shall be entitled to make written submissions to **independent lawyer**.

7.10 Payment by the Insurer

The payment obligation of the **insurer** in accordance with 2.1, will be settled within 30 days after receiving the final, executable adjudication made by court or arbitration or tribunal empowered to do so. In case of settlement with the insurer's prior written consent, the insurer will pay by the due date agreed in the settlement agreement.

7.11 Insured's duties

7.11.1 The **insured** shall have the obligation to defend and contest any **claim** made against them. The **insurer** shall be entitled at any time to participate fully in the defence and in the negotiation of any settlement that involves or appears reasonably likely to involve the **insurer**.

7.11.2 All **insureds** shall at their own cost, render all reasonable assistance to and cooperate with the **insurer** in the investigation, defence, settlement or appeal of a **claim, pre-claim inquiry** or circumstance, and provide the **insurer** with all relevant information pertaining to any **claim, pre-claim inquiry** or circumstance, as the **insurer** may reasonably require. In the event of any **claim** and **pre-claim inquiry**, each **insured** shall take reasonable steps to reduce or diminish any potential payment under this policy.

If the **insured** breaches his duties in accordance with 7.11.2 and/or he hinders the defence of any **claim** the **insurer** shall be exonerated from its payment obligation in accordance with this insurance contract.

7.11.3 For each and every **claim**, the **company**, the **insured persons** and any person acting on their behalf must:

- a) always act honestly, there being no rights to any form of payment or indemnity under the policy in the event that any claim is made fraudulently;
- b) not destroy evidence or supporting information or documentation nor destroy any property relating to a covered **claim** under this policy;
- c) act in such a manner so as to allow the **insurer** to exercise recourse rights against a third party relating to a covered **claim** under this insurance, not waive it, not fail to exercise it and provide the **insurer** with all necessary assistance in all respects in exercising such rights if requested to do so by the **insurer**.

7.11.4 If any payment on account of any **claim** or covered costs and expenses has already been made, the **insured** or **company** shall immediately reimburse the **insurer** for any payments which are ultimately determined not to be covered by this policy.

7.11.5 The Policyholder or the Insured is obliged to disclose to the Insurer, at the time of conclusion of the contract, all circumstances relevant to the taking up of the insurance which he/she knew or ought to have known. The Policyholder or the Insured shall notify the Insurer in writing of any change in circumstances which are material.

7.11.6 The Policyholder or the Insured shall provide the Insurer with exhaustive and truthful answers to the Insurer's questions. The Insurer is obliged to provide the information necessary to establish the legal basis and the amount of the claim and to enable the content of the notification and the information to be verified. The Insured or the Policyholder must provide the Insurer with the documents available to him for the purpose of asserting his claims against third parties. If he does not provide the Insurer with the necessary information or does not allow the content of the information to be checked, and if, as a result, circumstances relevant to the Insurer's obligation cannot be ascertained, the Insurer's obligation shall not arise.

7.12 Insurer's rights

7.12.1 The **insurer** will be under no obligation to investigate any circumstance notified under clause 7.1. or any **claim** on its own or to undertake the conduct of any proceedings in connection with any **claim** or **pre-claim inquiry** and will be at liberty in all cases to leave the conduct of such proceedings wholly to the **insured** upon such conditions as regards the payment of **defence costs and expenses**.

7.12.2 The **insurer** may at any time pay the **limit of indemnity** (after deduction of any sums already paid) or such lesser sum for which the **claim** can be settled and will relinquish the conduct and control of the **claim** and be under no further liability.

7.12.3 If a **claim** is made against an **insured person** by the **company**, the **insurer** shall have no duty or obligation to communicate with any other **insured person** or the **company** in relation to that **claim**.

7.13 Subrogation

In the event of any payment under this policy, any **insured's** right for compensation of damages or any similar right against a third party shall be transferred to the extent of such payment to the **insurer**. The **insured** is obliged to take any necessary steps and provide any necessary co-operation so as the **insurer** is able to execute such right. The **insurer** will not exercise its rights of subrogation against an **insured person** in connection with a **claim**, unless it can establish that Exclusion 6.2 - Dishonest conduct and personal profit applies to that **claim** and to that **insured person**.

8. GENERAL TERMS AND CONDITIONS

The following provisions shall apply in relation to the insurance:

8.1 Territory & legal actions

Unless set out otherwise in the policy or prohibited from doing so by the relevant law or regulation, this policy applies to events covered by this policy occurring anywhere in the world or **claims** wherever made, based upon acts occurring anywhere in the world.

8.2 Applicable law

This policy will be governed by and interpreted in accordance with the laws of Hungary.

8.3 Assignment

Assignment of interest under this policy will not bind the **insurer** unless and until the **insurer's** written consent is endorsed on this policy.

8.4 Information prior to conclusion of the policy

The policyholder and the **insureds** must truthfully and in full answer all written questions of the **insurer** relating to the insurance. Information stated in a questionnaire or provided during any communication preceding conclusion of the policy will be considered as answers to such written question of the **insurer**.

8.5 Limit of indemnity

8.5.1 The amount stated in the schedule as the limit of indemnity is, subject to the additional limit available under clause 4.3, the maximum payable by the **insurer** under the policy in respect of any one **claim** and in the aggregate during the **period of insurance** irrespective of the number of:

- a) **claims** made, or
- b) **insureds** entitled to indemnity, or
- c) **wrongful acts**, or
- d) insured sections or covers within the insured sections under which claims are made under this policy.

8.5.2 Unless agreed and set out otherwise in the policy the limit of indemnity shall be inclusive of all covered costs and expenses (Insured Section B).

8.5.3 The limit of indemnity will not be increased by purchase of an **extended reporting period** under clause 4.1. Any sub-limit of indemnity stated in the schedule, except the additional limit **for non-executive directors** under clause 4.3, shall be part of and not in addition to the limit of indemnity.

8.6 Multiple claims

8.6.1 All causally connected or interrelated **wrongful acts**, or conduct (as described in clause 9.34), jointly constitute a single **wrongful act**, or conduct, under this policy.

8.6.2 Where a single **wrongful act**, or conduct, gives rise to more than one **claim**, all such **claims** jointly constitute one **claim** under this policy and only one retention is applicable in respect of such **claim**.

8.7 Non-disclosure

8.7.1 In the event that the **policyholder** or the **insured** provided intentionally or negligently false or incomplete answers to the written enquiries of the **insurer** regarding this policy, the insurer shall have the right to withdraw from this agreement within 30 days after the date the insurer becomes aware of such information with a retroactive date of the inception of the policy period.

8.7.2 In the event of the **insurer** being entitled to avoid this policy from inception or to avoid any endorsement to this policy, parties may agree that instead of giving notice in writing to the **insured** this policy will remain in full force and effect except that there shall be excluded from cover under this policy any loss which has arisen or which may arise and which is related to the circumstances which entitle the **insurer** to avoid this policy or any endorsement.

8.8 Other insurance

This insurance is applicable only to the extent to which there is no other valid and collectible insurance or any other indemnification available to the **insured** able to claim under this policy in respect of a **claim** from any other party.

With respect to **outside companies**, insurance provided by this policy applies excess over (i) any indemnification provided by an **outside company** or a **company**, and (ii) any other valid and collectible insurance issued to an **outside company** for the benefit of its directors, officers or employees.

8.9 Period of insurance

Unless agreed otherwise the policy agreement is concluded for an indefinite period of time with the period of insurance as stated in the policy. Unless agreed otherwise the period of insurance means a 12 month long period from the start date specified in Item 2 of the policy, which renews for the next 12 months automatically with the same terms and conditions at the end of this period. The anniversary date of the policy is the starting date (according to the policy) of the period of insurance.

8.10 Inception date of the policy

The inception date of the coverage is the starting date of the policy period set out in the policy. Cover under the policy is subject to the payment of the premium.

8.11 Termination and cancellation of the policy

8.11.1 The policy can be terminated by either party in a written form of a notice by the expiry date, with a notice period of 30 days. The notice terminates the policy on the exact date of the expiry date. The notice should be received by the other party at least 30 days before the expiry date of the policy period. Should the notice arrive within 30 days to the expiry of the policy period, the notice shall be considered invalid.

8.11.2 Should the **policyholder** fail to settle the premium (or premium instalment) payment at due date, the **insurer** – warning in addition to the consequences – send a written notice to the **policyholder** with 30 days deferment. Should the **policyholder** fail to settle the premium (or premium instalment) at second due date the policy will be cancelled at due date of premium invoice, except if and the **insurer** has not filed for court action regarding the premium payment. Should the **policyholder** settled a part of the **premium** and the **insurer** – applies the rules of the present paragraph – noticed the **policyholder** to settle the rest of the premium, the policy remains in force with the same limit of liability, for proportional period to the settled premium.

8.11.3 This insurance contract can be terminated by the **insurer** also in accordance with 8.7.1.

8.12 Premium

8.12.1 Unless agreed otherwise the premium is set out as a lump-sum premium. **The Policyholder must pay the premium.**

8.12.2 Taxes or other public charges, if applicable, are payable in addition to the premium.

8.12.3 The Insurer may change the insurance premium once a year before the expiry of the Insurance Period. In this case the Insurer shall notify the Policyholder about the change of the premium in writing 60 days before the expiry of the Insurance Period.

If the Policyholder does not accept the change in premium, he must notify the Insurer in writing at least 45 days before the expiry of the Insurance Period. In this case, the Insurance Contract shall continue at the same annual premium. This provision shall not affect the right of termination of the Contract by the Contracting Parties.

If the Policyholder fails to notify the Insurer in writing within 45 days before the expiry of the Insurance Period that he objects to the premium change, this shall be deemed as the acceptance of the premium change. In this case, the Insurer will send the Policyholder the amended Policy and the insurance contract will continue with the updated premium.

8.13 Retention

Where a claim is made under this policy by the **company** under insured section A clause 2.3 or insured section B clause 3 or insured section D, the **insurer** shall only indemnify the **company** for payments in excess of the amount stated in the schedule as the retention. The retention applies to each and every **claim**.

8.14 Severability

8.14.1 The questionnaire and any other declarations by any of the **insureds** shall be in relation to each **insured** construed as a separate document. No statements in the questionnaire or any other declarations or knowledge possessed by an **insured person** shall be imputed to any other **insured person**.

8.14.2 For the purpose of determining the applicability of the exclusions and limitations in section 6, the act or knowledge of an **insured person** shall not be imputed to any other **insured person**.

8.14.3 With respect to Insured section D - Entity Protection for Securities Claims, only the statements and knowledge of any Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or Chief Legal Officer/General Counsel (or equivalent positions) of a **company** will be imputed to that **company**, and the knowledge of the same officeholders of the **policyholder** will be imputed to all **companies**.

8.15 Statute of limitation

Claim arising out of this insurance contract expire after 2 years from the due date.

8.16 Economic Sanctions and commercial embargos

The Insurer will not provide insurance coverage or indemnification or other insurance services under this policy if the provision of such coverage, indemnification or services would subject the Insurer, its owner to sanctions, restrictions or prohibitions imposed by resolutions, commercial and economic sanctions or legal regulations of the United Nations, the European Union or any other entity.

8.17 Notice & Authority

The **policyholder** shall act on behalf of all **insureds** in connection with all matters relevant to this insurance contract unless in the event of a **transaction** of the **policyholder** or in the case of a **claim** made against the **insured person** by the **company** in which case each **insured** shall act on their own behalf.

8.18 Disputes, complaint handling

The Insurer will make every effort to ensure that the Policyholder or an Insured Person receives a good standard of service. If the Policyholder or an Insured Person is not satisfied with the Insurer's service he or she should lodge complaints.

Should any complaint arise with regard to the services or the fulfilment of the insurance contract, we undertake the obligation to inform our client on the right to submit a complaint in writing to **the General Manager of Colonnade Insurance S.A. Hungarian Branch Office** (hereinafter referred to as the Insurance Company) via post, e-mail or facsimile (postal address: 153 Pf. , Budapest, H-1426, Hungary, facsimile: +36 1 461499; e-mail address: info@colonnade.hu) and in person or via telephone at the Customer Service of the Insurance Company during opening hours (address: 23-27 Váci út, Budapest, H-1134, Hungary; telephone number: +36 1 4601400).

The Insurance Company shall send its answer in writing to the complainant within 30 (thirty) days of receipt of the complaint.

In case of the rejection of the complaint or if the 30-day period for the examination of the complaint prescribed by law as the deadline for response ends abortively, the client not qualifying as a consumer shall be entitled to challenge the inadmissible decision of Colonnade Insurance S.A. Hungarian Branch Office (99 Váci út, Budapest, H-1134 Hungary) before **the court**. In this case, the civil action shall be brought before the competent Hungarian court against Colonnade Insurance S.A. Hungarian Branch Office (23-27 Váci út, Budapest, H-1134, Hungary).

The Complaints Regulation of the insurer is available at the Customer Service of the Insurance Company and on the <http://www.colonnade.hu> website.

8.19 Information on professional secrecy and personal data management

Insurance secret shall mean all data - other than classified information - in the possession of insurance companies, reinsurance companies and insurance intermediaries that pertain to the personal circumstances and financial situations (or business affairs) of their clients (including claimants), and the contracts of clients with insurance companies and reinsurance companies.

Insurance and reinsurance companies are entitled to process the insurance secrets of clients only to the extent that they relate to the relevant insurance contract, with its creation and registration, and to the service. Processing of such data shall take place only to the extent necessary for the conclusion, amendment and maintenance of the insurance contract and for the evaluation of claims arising from the contract or for any other purpose specified in the Insurance Act.

Insurance and reinsurance companies shall obtain the data subject's prior consent for processing data for purposes other than what is contained in Subsection (1) Section 135 of Act LXXXVIII of 2014 (Insurance Act). The client shall not suffer any disadvantage if the consent is not granted, nor shall be given any advantage if it is granted.

Unless otherwise provided for by law, the owners, directors and employees of insurance and reinsurance companies, and all other persons having access to insurance secrets in any way during their activities in insurance-related matters shall be subject to the obligation of professional secrecy without any time limitation.

According to the Act on the Processing and Protection of Personal Data in the Field of Medicine (hereinafter referred to as "PDFM"), insurance companies shall be authorized to process any data pertaining to the medical condition of clients only for those 3 reasons set out in Subsection (1) of Section 135 of the Insurance Act, in accordance with the provisions of PDFM and only in possession of the express written consent of the data subject.

Insurance secrets may only be disclosed to third parties:

- a) under the express prior written consent of the insurance or reinsurance company's client to whom they pertain, and this consent shall precisely specify the insurance secrets that may be disclosed;
- b) if there is no obligation of professional secrecy under the Insurance Act;
- c) if the certification body, including its subcontractor, hired by an insurance or reinsurance company, received such confidential information in carrying out the certification process.

The requirement of confidentiality concerning insurance secrets shall not apply to:

- a) the Authority in exercising its designated functions;
- b) the investigating authority and the public prosecutor's office after ordering the investigation;
- c) the court of law in connection with criminal cases, civil actions or non-contentious proceedings, and administrative actions, including the experts appointed by the court, and the independent court bailiff, the administrator acting in bankruptcy proceedings, the temporary administrator, extraordinary administrator, liquidator acting in liquidation proceedings in connection with a case of judicial enforcement, the principal creditor in debt consolidation procedures of natural persons, the Családi Csódvédelmi Szolgálat (Family Bankruptcy Protection Service), the family administrator, the court;
- d) notaries public, including the experts they have appointed, in connection with probate cases;
- e) the tax authority in the cases referred to in Subsection (2); the national security service when acting in an official capacity,
- g) the Gazdasági Versenyhivatal (Hungarian Competition Authority) acting in an official capacity;
- h) guardians acting in an official capacity,
- i) the government body in charge of the healthcare system in the case defined in Subsection (2) of Section 108 of Act CLIV of 1997 on Health Care;
- j) bodies authorized to use secret service means and to conduct covert investigations if the conditions prescribed in specific other act are provided for;
- k) the reinsurer and in case of co-insurance, the insurers underwriting the risk,
- l) with respect to data transmitted as governed by law, the bureau of insurance policy records maintaining the central policy records, the claims registry body operating the central claims history register, furthermore, the national transport authority and the Central Office for Administrative and Electronic Public Services in respect of any official affairs related to road traffic management tasks concerning motor vehicles not covered by the register [while upon receipt of a written request from a body or person referred to in Paragraphs a)-j), n) and s) of Subsection (1) of Section 138 of the Insurance Act indicating the name of the client or the description of the insurance contract, the type of data requested and the purpose of and the grounds for requesting data, with the exception that the bodies or persons referred to in Paragraphs p)-s) are required to indicate only the type of data requested and the purpose and grounds for requesting it. An indication of the statutory provision granting authorization for requesting data shall be treated as verification of the purpose and legal grounds.
- m) the receiving insurance company with respect to insurance contracts conveyed under a portfolio transfer arrangement, as provided for by the relevant agreement;
- n) with respect to the information required for settlement and for the enforcement of compensation claims, and also for the conveyance of these among one another, the body operating the Compensation Fund and/or the Claims Guarantee Fund, the National Bureau, the correspondent, the Information Centre, the Claims Organization, claims representatives and claims adjustment representatives, or the responsible party if wishing to access - in exercising

the right of self-determination - the particulars of the other vehicle that was involved in the accident from the accident report for the purpose of settlement;

- o) the outsourcing service provider with respect to data supplied under outsourcing contracts; the tax auditor in respect to data supplied under tax audit agreements [while, upon receipt of a written request from a body or person referred to in Paragraphs a)-j), n) and s) of Subsection (1) of Section 138 of the Insurance Act indicating the name of the client or the description of the insurance contract, the type of data requested and the purpose of and the grounds for requesting data, with the exception that the bodies or persons referred to in Paragraphs p)-s) are required to indicate only the type of data requested and the purpose and grounds for requesting it. An indication of the statutory provision granting authorization for requesting data shall be treated as verification of the purpose and legal grounds.]
- p) third-country insurance companies and insurance intermediaries in respect of their branches, if they are able to satisfy the requirements prescribed by Hungarian law in connection with the management of each datum and the country in which the third-country insurance company is established has regulations on data protection that conform to the requirements prescribed by Hungarian law;
- q) the commissioner of fundamental rights when acting in an official capacity;
- r) the Nemzeti Adatvédelmi és Információszabadság Hatóság (the National Authority for data Protection and Freedom of Information) when acting in an official capacity.
- s) the insurance company in respect of the bonus-malus system and the bonus-malus rating, and the claims record and the bonus-malus rating in the cases specified in the decree on the detailed rules for the verification of casualties,
- t) the agricultural damage survey body, the agricultural administration body, the agricultural damage compensation body, and the institution delegated to conduct economic assessments under the supervision of the ministry directed by the minister in charge of the agricultural sector in respect of insured persons claiming any aid for the payment of agricultural insurance premiums;
- u) the authority maintaining a register of liquidator companies.

upon receipt of a written request from a body or person referred to in Paragraphs a)-j), n) and s) of Section 138 of the Insurance Act indicating the name of the client or the description of the insurance contract, the type of data requested and the purpose of and the grounds for requesting data, with the exception that the bodies or persons referred to in Paragraphs p)-s) are required to indicate only the type of data requested and the purpose and grounds for requesting it. An indication of the statutory provision granting authorization for requesting data shall be treated as verification of the purpose and legal grounds.

Pursuant to Paragraph e) of Subsection (1) of Section 138 of the Insurance Act, there shall be no confidentiality obligation concerning insurance secrets in connection with tax matters where the insurance company is required by law to disclose specific information to the tax authority upon request and/or to disclose data concerning any payment made under an insurance contract that is subject to tax liability.

The requirement of confidentiality concerning insurance secrets shall not apply to financial institutions stipulated by the Act on Credit Institutions and Financial Enterprises with regard to an insurance contract related to any receivable arising out of financial service, provided that the financial institution submits its request in writing to the insurance company which contains the name of the client or the insurance contract, all types of data requested, the purpose of the information request and its title.

The disclosure made by the insurance company to the tax authority in compliance with the obligation prescribed in Sections 43/B-43/C of Act XXXVII of 2013 on International Administrative Cooperation in Matters of Taxation and Other Compulsory Payments (hereinafter referred to as "IACA") in accordance with Act XIX of 2014 on the Promulgation of the Agreement between the Government of Hungary and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA, and on the Amendment of Certain Related Acts (hereinafter referred to as "FATCA Act") shall not be construed as violation of insurance secrets.

Insurance and reinsurance companies shall be authorized to disclose the personal data of clients in the cases and to the agencies indicated in Subsections (1) and (6) of Section 138 and in Sections 137, and 140 of the Insurance Act.

The obligation of insurance secrecy shall apply to the employees of the agencies specified in Subsection (1) of Section 138 of the Insurance Act beyond the purview of any legal process.

Insurance and reinsurance companies shall be required to supply information forthwith where so requested in writing by the national security service, the public prosecutor or the investigating authorities under the prosecutor's consent if there is any suspicion that an insurance transaction is associated with:

- a) misuse of narcotic drugs, illegal possession of new psychoactive substances, acts of terrorism, criminal misuse of explosives or blasting agents, criminal misuse of firearms and ammunition, money laundering, or any felony offense committed in criminal conspiracy or within the framework of a criminal organization under Act IV of 1978 in force until 30 June 2013,
- b) unlawful drug trafficking, possession of narcotic drugs, inciting substance abuse, aiding in the manufacture or production of narcotic drugs, illegal possession of new psychoactive substances, acts of terrorism, failure to report a terrorist act, terrorist financing, criminal misuse of explosives or blasting agents, criminal misuse of firearms and ammunition, money laundering, or any felony offense committed in criminal conspiracy or within the framework of a criminal organization under the Criminal Code.

The obligation of confidentiality concerning insurance secrets shall not apply where an insurance or reinsurance company complies with the obligation of notification prescribed in the Act on the Implementation of Restrictive Measures Imposed by the European Union Relating to Liquid Assets and Other Financial Interests.

The disclosure of the group examination report to the dominating member of the financial group during the supervisory oversight proceedings in the case of group supervision shall not constitute a breach of confidentiality concerning insurance secrets and trade secrets.

The disclosure of information provided in compliance with Section 164/B shall not be construed a breach of insurance secrets.

The obligation to keep insurance secrets shall not apply when:

- a) a Hungarian law enforcement agency makes a written request for information - that is considered insurance secret - in order to fulfil the written requests made by a foreign law enforcement agency pursuant to an international agreement;
- b) the national financial intelligence unit makes a written request for information - that is considered insurance secret - acting within its powers conferred under the Act on the Prevention and Combating of Money Laundering and Terrorist Financing or in order to fulfil the written requests made by a foreign financial intelligence unit.

It shall not constitute a violation of insurance secrecy where an insurance or reinsurance company supplies information to a third-country insurance or reinsurance company or a third-country data processing agency:

- a) if the client to whom such information pertains (hereinafter referred to as "data subject") has given his prior written consent, or
- b) if - in the absence of the data subject's consent - the data is disclosed within the scope, for the purposes and on the legal grounds specified by law, and the level of protection available in the third-country satisfies either of the requirements prescribed in Subsection (2) of Section 8 of Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information (hereinafter referred to as "Info Act").

The provisions governing data disclosure within the domestic territory shall be observed when sending data that is treated as an insurance secret to another Member State.

The following shall not be construed a breach of insurance secrecy:

- a) the disclosure of data compilations from which the clients' personal or business data cannot be identified;
- b) in respect of branches, transfer of data for the purpose of supervisory activities to the supervisory authority of the country where the registered address (main office) of the foreign-registered company is located, if such transfer is in compliance with the agreement between the Hungarian and the foreign supervisory authorities;
- c) disclosure of information, other than personal data, to the minister for legislative purposes and in connection with the completion of impact assessments;
- d) the disclosure of data in order to comply with the provisions contained in the Act on the Supplementary Supervision of Financial Conglomerates.

(2) Insurance and reinsurance companies may not refuse to disclose the data specified in Subsection (1) of Section 141 of the Insurance Act on the grounds of protection of insurance secrets.

The personal data indicated in the data transfer records and the data covered by Section 136 of the Insurance Act, or the data treated as special data under the Info Act shall be deleted, respectively, after five years and twenty years following the date of disclosure.

The insurance or reinsurance company shall not be authorized to notify the data subject when data is disclosed pursuant to Paragraphs b), f) and j) of Subsection (1) of Section 138 or Subsection (6) of Section 138 of the Insurance Act.

Insurance and reinsurance companies shall be entitled to process personal data during the life of the insurance or reinsurance contract or other contractual relation, and as long as any claim can be asserted in connection with the insurance, reinsurance or contractual relation.

Insurance and reinsurance companies shall be entitled to process personal data relating to any uncompleted insurance or reinsurance contract as long as any claim can be asserted in connection with the failure of the contract.

Insurance and reinsurance companies shall be required to delete all personal data relating to their current or former clients or to any frustrated contract in connection with which the data in question is no longer required, or the data subject has not given consent, or if it is lacking the legal grounds for processing such data.

(3) Within the meaning of the Insurance Act, the processing of data related to deceased persons shall be governed by the statutory provision on the processing of personal data. The rights of a deceased person in terms of data processing may be exercised by the heir or by the person named as the beneficiary in the insurance contract.

8.20. Trade secrets of insurance companies and reinsurance companies

Insurance and reinsurance companies and their owners, any proposed acquirer of a share in an insurance or reinsurance company, as well as the senior executives, non-management officers and employees, agents of insurance or reinsurance companies shall keep any trade secrets made known to them in connection with the operation of the insurance or reinsurance company confidential without any time limitation.

The obligation of confidentiality prescribed in Section 144 of the Insurance Act shall not apply to the following in exercising their designated functions:

- a) the Authority;
- b) the national security service;
- c) the Állami Számvevőszék (State Audit Office);
- d) the Gazdasági Versenyhivatal (Hungarian Competition Authority);
- e) the internal oversight agency tasked by the Government, which controls the legality and propriety of the use of central budget funds;
- f) property administrators;
- g) the Információs Központ (Information Center);
- h) the agricultural damage survey body, the agricultural damage compensation body, the agricultural administration

body, and the institution delegated to conduct economic assessments under the supervision of the ministry directed by the minister in charge of the agricultural sector in respect of insured persons claiming any aid for the payment of agricultural insurance premiums.

The disclosure made by an insurance company to the tax authority in compliance with the obligation prescribed in Sections 43/B-43/C of the IACA in accordance with the FATCA Act shall not be construed as violation of trade secrets.

(3) The disclosure of information by the Authority to the European Insurance and Occupational Pensions Authority (hereinafter referred to as “EIOPA”) as provided for in Regulation (EU) No. 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/79/EC (hereinafter referred to as “Regulation 1094/2010/EU”) shall not be construed as violation of trade secrets.

The obligation of confidentiality prescribed in Section 144 of the Insurance Act shall not apply to:

a) the investigating authority and the public prosecutor’s office after ordering the investigation;
b) the court of law in connection with criminal cases, civil actions and non-contentious proceedings, and the judicial review of administrative decisions, including the experts appointed by the court, and the independent court bailiff in connection with a case of judicial enforcement, and to the court in local government debt consolidation procedures.

(5) The disclosure of information by the Authority to the minister in charge of the money, capital and insurance markets on insurance and reinsurance companies, enabling individual identification, for legislative purposes and in connection with the completion of impact assessments shall not be construed a breach of trade secrecy.

(6) The disclosure of information by the Information Centre in an official capacity shall not be construed a breach of trade secrecy.

The person acquiring any trade secrets shall keep them confidential without any time limitation.

By virtue of the obligation of secrecy, no facts, information, know-how or data within the sphere of trade secrets may be disclosed to third parties beyond the scope defined in the Insurance Act without the consent of the insurance or reinsurance company, or the client concerned, or used beyond the scope of official responsibilities.

The person acquiring any trade secrets may not use such for his own benefit or for the benefit of a third person, whether directly or indirectly, or to cause any disadvantage to the insurance or reinsurance company affected, or its clients.

In the event of dissolution of an insurance or reinsurance company without succession, the business documents managed by the insurance or reinsurance company and the documents containing trade secrets may be used for archival research conducted after sixty years of their origin.

Any information that is declared by the Info Act to be information of public interest or public information, and as such is rendered subject to disclosure may not be withheld on the grounds of being treated as a trade secret or insurance secret.

Other matters relating to insurance secrets and trade secrets shall be governed by the relevant provisions of the Hungarian Civil Code.

8.21. Data protection in relation to data exchanges between Insurance Companies

In discharging the obligations delegated by law, or fulfilling their contractual commitments, in order to provide services in compliance with the relevant legislation or as contracted, and to prevent insurance fraud, the Insurance Company shall - in order to protect the interest of risk groups of insureds - have the right to make a request to another insurance

company from 1 January, 2015 with respect to data processed by this insurance company and referred to in Subsections (3)-(5) of Section 149 of the Insurance Act in accordance with Subsection (1) of Section 135 thereof, taking into account the unique characteristics of insurance products affected. The request shall contain the information necessary for the identification of the person, property or right defined therein, it shall specify the type of data requested and the purpose of the request. Making a request and complying with one shall not be construed a breach of insurance secrecy.

In this context the Insurance Company may request the following data from other insurance companies:

Data listed in Paragraphs a) to e) of Subsection 3 of Section 149 of the Insurance Act relating to the conclusion and performance of the insurance contracts pertaining to the insurance class stipulated in points 1 and 2 of Section A of Annex 1 of the Insurance Act;

Data listed in Paragraphs a) to e) of Subsection 4 of Section 149 of the Insurance Act relating to the conclusion and performance of the insurance contracts pertaining to the insurance class stipulated in points 5, 6, 7, 8, 9, 16, 17 and 18 of Section A of Annex 1 of the Insurance Act; and

Data listed in Paragraphs a) to c) of Subsection 5 of Section 149 of the Insurance Act relating to the conclusion and performance of the insurance contracts in case of the prior consent of the claimant pertaining to the insurance class stipulated in points 11, 12, and 13 of Section A of Annex 1 of the Insurance Act.

The requested insurance company shall make available to the requesting Insurance Company the data requested in due compliance with the law, inside the time limit specified in the request, or failing this, within fifteen (15) days from the date of receipt of the request.

The requesting Insurance Company shall be allowed to process data obtained through the request for a period of ninety (90) days from the date of receipt. If the data obtained by the requesting Insurance Company through the request is necessary for the enforcement of that Insurance Company's lawful interest, the time limit specified above for data processing shall be extended until the enforceable conclusion of the procedure opened for the enforcement of such claim.

If the data obtained by the requesting Insurance Company through the request for the enforcement of the insurance company's lawful interest, and the procedure for the enforcement of such claim is not opened inside a period of one (1) year after the data is received, such data may be processed for a period of one (1) year from the date of receipt. The requesting Insurance Company shall inform the client affected by the request concerning this request and also if the request is satisfied, on the data to which it pertains, at least once during the period of insurance cover.

If the client asks for information regarding his data in accordance with the Info Act and the requesting insurance company no longer has the data to which the request pertains having regard to Subsections 8-10 of Section 149 of the Insurance Act, the client shall be informed thereof.

The requesting Insurance Company shall not be allowed to connect the data obtained through the request relating to an interest insured, with data it has obtained or processed, for purposes other than the above. The requested insurance company shall be responsible for the correctness and relevance of the data indicated in the request."

8.22. Information on handling of personal data

Data controller: Colonnade Insurance S.A.

Contact details of the data protection officer:

email: dpo@colonnade.hu, Phone number: (06-1) 460-1400,

Mailing address: 1426 Budapest, Pf.:153

Categories of processed data:

personal data: any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, place and time of birth, an identification number, address, an online identifier

special data: medical data

Purpose of data processing

The Insurance Company has the right to process confidential insurance information of clients in relation to the insurance contract, its establishment, its registry and the service provided. Processing of such data shall take place only to the extent necessary for the conclusion, amendment and maintenance of the insurance contract and for the evaluation of claims arising from the contract or for any other purpose specified in the Act LXXXVIII of 2014.

Data processing purposes include ensuring to comply with restrictive economic measures and anti-money laundering and terrorist financing obligations imposed by the United Nations, the European Union, or other relevant organisations.

Contracts established online via colonnade.hu are subject to the Act XXV of 2005 and to the Act CVIII of 2001, thus the purpose of data processing includes proving the compliance with the obligation to provide consumer information; proving the establishment of the contract; establishing, modifying and monitoring the fulfilment of a service provisioning contract in relation to the information society; billing for the services provided under the contract; and enforcing the related claims.

The Insurance Company's data processing is either based on the establishment of the contract, or on the voluntary consent made by the client during the submission of claims, service requests, information requests regarding the contract. If transferring the medical data of a client outside the European Union is necessary in order to protect the vital interests of the data subject regarding a travel insurance contract, the Insurance Company shall inform the data subject of the transfer.

The Insurance Company processes personal data obtained during complaint handling to comply with the Act LXXXVIII of 2014, Section 159, and keeps a record of its clients' complaints, and of actions taken to remedy these complaints. The Insurance Company's data processing is based on this provision of the Act LXXXVIII of 2014.

According to the above cited paragraph of the Act LXXVIII of 2014, if the complaints are handled by telephone, the Insurance Company shall record the conversation between the Insurance Company and the client.

Period of data processing

Insurance company shall be entitled to process personal data - medical data – concerning insurance secrets during the life of the insurance contract, and other contractual relation, as long as any claim can be asserted in connection with the contractual relation. Insurance company shall be entitled to process personal data relating to any unconcluded insurance contract as long as any claim can be asserted in connection with the failure of the contract. According to the Act C of 2000 on accounting Section 169, the accounting records in relation to the establishment of the insurance contract, its registry and the insurance services are retained by the Insurance Company for eight years.

The Insurance Company handles the information received from other insurance companies during data exchanges with the conditions and within the time periods set out in the "Data protection in relation to data exchanges between insurance companies" section.

During complaint handling, the sound recordings are retained by the Insurance Company for five years. The Insurance Company retains the complaint and the reply provided for a period of five years, and shall make them available at the request of the authorities.

Legal basis for data processing

The legal bases of data processing in relation to handling insurance contracts, registering insurance contracts, and

telephone customer services are the followings: the consent of the data subjects; the Act LXXXVIII of 2014 Section 135; the Act C of 2000 Section 169. In case of online contracting or contracting via telephone, the legal bases of data processing are the Act XXV of 2005 Section 2 and the Act CVIII of 2001, Section 13/A. Data in relation to a client's health condition shall only be processed with the expressed written consent of the data subject, in accordance with the Act XLVII of 1997.

The legal basis for data processing in relation to customer complaints is the Act LXXXVIII of 2014 Section 159. In case of restrictive economic measures (embargo) imposed by the United Nations, the European Union, or other relevant organisations, the legal basis for data processing is the legitimate interest of the Insurance Company and the compliance with its legal obligation.

The data subject rights and exercising these rights

The data subjects' rights include the followings:

- a)** The client has the right to request access from the controller regarding his/her personal data;
- b)** The client has the right to request the rectification of inaccurate personal data or to have incomplete personal data completed;
- c)** The client has the right to request from the controller the erasure of personal data or the restriction of processing his/her data;
- d)** The client has the right to object to the processing of personal data;
- e)** The client has the right to lodge a complaint with a supervisory authority (NAIH);
- f)** The client has the right to data portability; and
- g)** The client has the right to prohibit the usage of personal data for direct marketing purposes.

a) Upon the request of the client, the Insurance Company shall provide information in writing on any and all Personal Data of him/her within 15 days about the followings:

- the source and categories of personal data;
- the purposes and legal bases of data processing;
- where possible, the envisaged period for which the personal data will be stored, or, if not possible, the criteria used to determine that period;
- the recipients or categories of recipient to whom the personal data have been or will be disclosed;
- the name and address of the Data controller, and the issues relating to processing.

The Insurance Company shall provide these information free of charge, if the client (natural person) has not submitted a request on the same data within the scope in the same year. In other cases, a reasonable fee can be charged taking into account the administrative costs of providing the requested information.

In addition to this, at the client's request the copy of the personal data shall be made available.

- b)** If a data concerned is inaccurate, the client shall have the right to request and have it promptly updated.
- c)** The Insurance Company erase the personal data without undue delay if one of the following grounds applies:
 - the personal data are no longer necessary in relation to the purposes for which they were collected; or
 - the data subject withdraws consent, and there is no other legal ground for the processing;
 unless, the data is for the establishment, exercise or defence of legal claims, or for compliance with a legal obligation.

The Insurance Company erase the personal data without undue delay for compliance with a legal obligation to which the controller is subject, or if the personal data have been collected in relation to the offer of information society services referred to the Act CVIII of 2001 section 8 paragraph 1.

The client shall have the right to obtain restriction of processing from the controller where one of the following applies:

- the accuracy of the personal data is contested by the client, in that case restriction applies for a period enabling Controller to verify the accuracy of the personal data concerned;
- the processing is unlawful, and the data subject opposes the erasure of the personal data and requests the restriction of their use instead;
- the controller no longer needs the personal data for the purposes of the processing, but they are required by the data subject for the establishment, exercise or defence of legal claims;
- the data subject has objected to processing pursuant to Article 21(1) pending the verification whether the legitimate grounds of the controller override those of the data subject;
- the data subject has objected to processing, in that case restriction applies for the period during which it is verified whether the legitimate grounds of controller may override those of the client.

Where processing has been restricted, such personal data shall be processed with the data subject's consent or for the establishment, exercise or defence of legal claims or for the protection of the rights of another natural or legal person or for reasons of important public interest of the Union or of a Member State. A data subject who has obtained restriction of processing pursuant shall be informed by the controller before the restriction of processing is lifted.

d) If the processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, the data subject shall have the right to object, on grounds relating to his or her particular situation, at any time to processing of personal data concerning him or her, including profiling based on those provisions.

The controller shall no longer process the personal data unless the controller demonstrates compelling legitimate grounds for the processing which override the interests, rights and freedoms of the data subject or for the establishment, exercise or defence of legal claims. The Insurance Company examine the claim within 15 days and if it finds it a reasoned objection, the Company shall inform the Client about the decision in writing.

Should any complaint arise regarding the processing of the personal data, we undertake the obligation to inform our client on the right to object or submit a complaint orally (in person, by telephone) or in writing to the Data controller of Colonnade Insurance S.A. (email: dpo@colonnade.hu, Mailing address: 1426 Budapest, Pf.: 153)

e) The client shall have the right to lodge a complaint before the supervisory authority (NAIH; 1055 Budapest, Falk Miksa utca 9-11; Mailing address: 1363 Budapest, Pf.: 9.; Phone number: (+36) 1 391 1400, Fax: (+36) 1 391 1410, E-mail: ugyfelszolgalat@naih.hu, Web: naih.hu) about the handling his or her complaint or objection relating to the personal data carried out by Controller, or if the client finds any violation relating to the processing of the personal data or an immediate risk of that.

The client shall have the right to submit the claim to the Court. Cases related to data protection fall within the scope of regional courts. Litigation depending from the plaintiff's choice may be initiated before the regional court competent for the plaintiff's permanent or habitual residence.

f) The data subject shall have the right to receive the personal data concerning him or her, which he or she has provided to a controller, in a structured, commonly used and machine-readable format and have the right to transmit those data to another controller without hindrance from the controller to which the personal data have been provided. The client shall have the right to have the personal data transmitted directly from one controller to another, where technically feasible.

Further data processing activity

If the Insurance Company shall provide information to the Authority specified in Section 138, Bit having regard to the personal data, the Insurance Company shall inform the data subject about the recipient and the grounds of the data. The Insurance company shall not be authorized to notify the data subject when data is disclosed pursuant to Paragraphs b), f) and j) of Subsection (1) of Section 138 or Subsection (6) of Section 138, Bit.

Controller shall only provide the requested data in case the actual purpose and the datasets concerned are clearly

indicated by the authority, and shall only provide data that is strictly necessary for fulfilling the purpose of the request.

Notification of a Personal Data Breach to the Supervisory Authority, Communication to the Data Subject

In the case of a personal data breach, Controller shall without undue delay and, where feasible, not later than 72 hours after having become aware of it, notify the personal data breach to the competent supervisory authority, unless the personal data breach is unlikely to result in a risk to the rights and freedoms of natural persons. Controller records any personal data breaches, comprising the facts relating to the personal data breach, its effects and the remedial actions taken.

Controller shall communicate the personal data breach to the data subjects without undue delay if the personal data breach is likely to result in a high risk to the rights and freedoms of the concerned data subjects.

In addition to the above, Controller takes every possible measure to avert the personal data breach in the most efficient way and to ensure the protection of personal data at the highest level.

Other provisions

The contact and information between the Insurer and Insured Person occurs in Hungarian, and information shall be made available free of charge. The insurance company does not provide advice about the insurance products sold.

The insurance contract concluded on the basis of the present regulation should only be amended in writing. This rule applies to the case if the Policyholder and/or the Insurer wish to deviate from the insurance terms and conditions. Please find the annual report covering their financial situation and solvency on our website: www.colonnade.hu

Delivery rules

Documents or informations sent by the Insurer in connection with the conclusion, administration and possible termination of the insurance contract, or a claim for service, shall be deemed to have been served on the following dates:

- (a) in the case of personal delivery or delivery by courier, at the time when the delivery is certified to have been received by the party concerned;
- (b) in the case of a postal consignment, when it is certified to have been delivered, provided that if the consignment is returned from the other Party's address marked "unknown", "moved" or "not received", the date of return of the consignment shall be the date of delivery, and in the case of a return marked "not sought", the 5th (fifth) working day after the date of the second attempted delivery of the consignment;
- (c) in the case of electronic mail (e-mail), it shall be deemed to have been received on the date on which it is verifiably sent by the Insurer to the e-mail address provided by the Contractor.

9. GENERAL DEFINITIONS AND INTERPRETATION

The following words in this policy in **bold** type face have special meaning and are defined. These words will have the same meaning each time they appear in this policy in **bold** type face, whether with a capital first letter or not. Words that are not specifically defined in this policy have the meaning normally attributed to them.

Where the context so admits or requires, words and expressions in the singular shall include the plural and vice versa. Words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed so as to include natural as well as legal persons. References to a statute will be construed to include all its amendments or replacements. 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.

9.1 Period of insurance

Period of insurance means the period shown as such on the policy.

9.2 Insurer

Insurer means Colonnade Insurance S.A. Branch Office in Hungary, H-1134 Budapest, Váci út 23-27. Registration number: Cg. 01-17-000942, phone number: +36 1 460 1400, mailing address: 1426 Budapest, Pf. 153.)

Founder: Colonnade Insurance S.A. (1, rue Jean Piret, L-2350 Luxembourg), registered by Registre de Commerce at des Sociétés, Luxemburg, register number: B 61605, licence issued by Grand-Duche de Luxemburg, Minister des Finances, Commissariat aux Assurances (L-1840 Luxembourg, Bureaux: 7, boulevard Joseph II,) licence number:S 068/15.

The Insurer does not provide advice on the insurance product. The insurer's report on its solvency and financial situation is available on the insurer's website: www.colonnade.hu

9.3 Insured

Insured means the **insured person** and the **company**. The **company** is deemed to be insured only on respect of **security claims**.

9.4 Insured person

Insured person means:

- 9.4.1 any natural person who is, was or during the **period of insurance** becomes a **director or officer** of the **company**;
- 9.4.2 the **director's or officer's** estate, heirs, legal representatives or assigns, in the event of his death or incompetence or bankruptcy, but only for a **wrongful act** or conduct performed by that **director or officer** in their capacity as such;
- 9.4.3 the lawful spouse or registered partner of any **director or officer** provided that the **claim** is to enforce a judgment against that **director or officer** for a **wrongful act** or conduct performed in their capacity as such;
- 9.4.4 any employee of the **company**
 - a) whilst acting in a managerial or supervisory capacity;
 - b) named as a co-defendant with a **director or officer** in a **claim** in which the employee is alleged to have participated or assisted in the commission of a **wrongful act**;
- 9.4.5 any natural person acting as a shadow director of the **company** as defined in the relevant law, excluding professional advisors.

9.5 Control

Control means the securing of the affairs of an entity by means of:

- a) controlling the composition of the board of directors of such entity; or
- b) controlling more than half of the shareholder or equity voting power of such entity; or
- c) holding more than half of the issued share or equity capital of such entity; or
- d) creation of such entity.

9.6 Court Order

if the Court has issued a Court Order against the Insured based on Section 181 (1) or Section 262 of Act CXXX of 2016 on the Code of Civil Procedure.

9.7 Securities

Securities means any security representing debt of or equity interests in a **Company** (including but not limited to any bond, stock, note, debenture, share or other equity or debt security).

9.8 Securities Claim

Securities claim mean any written demand or civil or arbitration proceedings, other than an administrative or regulatory proceeding against, or investigation of a **Company**, made against any **Insured** alleging a violation of any laws (statutory or common), rules or regulations regulating **securities**, the purchase or sale or offer or solicitation of an offer to purchase or sell **securities**, or any registration relating to such **securities**:

- a) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale, or offer or solicitation of an offer to purchase or sell any **securities** of a **company**; or
- b) brought by a **security** holder of the **company** with respect to such **security** holder's interest in **securities** of such **company**; or
- c) brought derivatively on behalf of a **company** by a **security** holder of that **company**.

arising solely from a claim first made during the **period of insurance**:

Securities claim shall not mean any claim by an **insured** alleging, arising out of, based upon or attributable to the loss of, or the failure to receive or obtain, the benefit of any **securities** (including any warrants or options).

9.9 Stock offering

Stock offering means the public offer of any of the **company's** or **outside company's** own **securities**.

9.10 Continuous cover date

Continuous cover date means the date stated as such in the policy.

9.11 Independent lawyer

Independent lawyer means:

9.11.1 if the **claim** is made within the country the **policyholder** is registered, advocate agreed upon by the **insured person** or the **company** and the **insurer** or in case of lack of such agreement the advocate to be nominated by the chairman of the local bar association; or

9.11.2 if the **claim** is made in another jurisdiction, a lawyer of more than ten (10) years experience agreed upon by the **insured person** or the **company** and the **insurer** or in case of lack of such agreement the advocate to be nominated by the chairman of the local law society/bar association.

9.12 Official Body

Official body means any regulator, police or other law enforcement authority, government body, government agency, parliamentary commission, official trade body, or any similar body having legal authority to investigate the affairs of an **Insured**.

9.13 Defence costs and expenses

Defence costs and expenses means

- a) reasonable and necessary fees, costs and expenses incurred for representing an **insured**, with the **insurer's** prior written consent (except with respect to Insured Section C - Extended Cover 4.5 (Emergency Costs)), by or on behalf of an **insured** after a **claim, asset and liberty proceeding** or **extradition proceeding** is made, in the investigation, defence, settlement or appeal of such **claim, asset and liberty proceeding** or **extradition proceeding**;
- b) reasonable and necessary fees, costs and expenses incurred for representing an **insured**, with the **insurer's** prior written consent, by or on behalf of an **insured** of accredited experts, retained through defence counsel to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a covered **claim, asset and liberty proceeding** or **extradition proceeding**;

Defence costs and expenses shall not include Pre-Claim Inquiry Costs, the remuneration of any Insured Person, cost of their time or any other costs or overheads of any Company.

9.14 Reputation Recovery Expenses

in accordance with section 3.5 (Reputation Recovery Expenses), the reasonable and necessary fees, costs and expenses incurred, with the **insurer's** prior written consent, of a public relations consultant retained by an **insured person** directly to mitigate the adverse effect or potential adverse effect on that **insured person's** reputation from a **claim**, by disseminating findings made in a judicial disposition of that **claim** which exonerates the **insured person** from fault, liability or culpability.

Reputation recovery expenses shall not include the remuneration of any insured person, cost of their time or any other costs or overheads of any company.

9.15 Mitigation Costs

Mitigation costs mean any reasonable and necessary payments to a potential claimant to reduce the ultimate civil legal liability of an **insured person**. In no event shall **mitigation costs** include: (a) liability which is not otherwise covered under this policy; (b) payments arising out of, based upon or attributable to a **pre-claim inquiry**; or (c) payments to a potential claimant to reduce the ultimate civil legal liability of a **company** whether incurred by the **company** or by an **insured person** on behalf of the **company**.

9.16 Claim

Claim means:

- 9.16.1 any legal, administrative or regulatory proceeding, whether civil or criminal, commenced against an **insured person** alleging that he has committed a **wrongful act**; or
- 9.16.2 any written or verbal communication received by an **insured person, company** or **outside company** alleging an **insured person** has committed a **wrongful act** indicating an intention to claim against such **insured person** or to complain about him in respect of such **wrongful act** to a legal, administrative or regulatory authority; or
- 9.16.3 any written notice served on an **insured person** requiring the **insured person** to attend an interview or provide documentation or otherwise co-operate in an administrative or regulatory investigation, where the investigation directly concerns the conduct of the **insured person** (acting in his capacity as an **insured person**) or of the affairs of the **company** or **outside company**.

Claim shall not include criminal fines and criminal penalties, taxes, remuneration or employment-related benefits, nor amounts which the Insurer is prohibited from paying by law.

9.17 Pre-Claim Inquiry

Pre-claim inquiry means:

- a) a verifiable request for an **insured person** to: (i) appear at a meeting or interview; or (ii) produce documents, records or electronic information that, in either case, concerns a **company** or an **insured person** in their insured capacity, but only if the request is made by an **official body**, and:
 - 1) arises out of an inquiry or investigation by an **official body** concerning a **company** or an **insured person** in their insured capacity; or
 - 2) following a formal written notification to an **official body** by a **company, insured person** or whistleblower informing them of an actual or suspected material breach of an **insured person's** legal or regulatory duties if and to the extent that such inquiry is requested by an **official body**; or
- b) a raid on, or on site visit to any **company** or any **outside company** by an **official body** that involves the production, review, copying or confiscation of documents, records or electronic information or interviews of an **insured person**.

Pre-claim inquiry shall not include any routine or regularly scheduled regulatory or industry-wide hearing examination or inquiry, including any request for mandatory information from a regulated entity, conducted in an official body's normal review or compliance process.

9.18 Pre-Claim Inquiry Costs

Pre-claim inquiry means the reasonable and necessary fees, costs and expenses incurred by an **insured person**, with the **insurer's** prior written consent, solely in connection with his or her preparation for and response to a **pre-claim inquiry** directed at such **insured person**, but excluding (i) any compensation of any **insured person** or cost of their time; and (ii) the costs of complying with any formal or informal discovery or other request seeking documents, records or electronic information in the possession or control of any **company**, the requester or any other third party.

In no event shall pre-claim inquiry costs include the remuneration of any insured person, costs of their time or any other costs or overheads of any company.

9.19 Wrongful act

Wrongful act means any actual or alleged wrongful act or omission committed by the **insured person** solely in his capacity as an **insured person** including any:

- a) misstatement;
- b) misrepresentation;
- c) breach of trust;
- d) breach of duty;
- e) breach of warranty of authority;
- f) breach of rights of protection of human dignity and civil honour and slender; or
- g) **employment practice violation**.

9.20 Extradition Proceeding

Extradition proceeding means any extradition proceedings brought against an **Insured Person** or related appeal, any judicial review applications challenging the designation of any territory for the purposes of any extradition law, any challenge or appeal of any extradition decision by the responsible governmental authority, or any applications to the European Court of Human Rights or similar court in another jurisdiction.

9.21 Extended reporting period

Extended reporting period means the length of time stated in the policy as such, which in case of non-renewal of this policy runs from the expiry of the **period of insurance**.

9.22 Pollution

Pollution means:

- 9.22.1 the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time;
- 9.22.2 any cost, expense, claim or suit arising out of any request, demand or order as a result of actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time that the **insured** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralise or in any way respond to, or assess the effects of **pollutants**.

9.23 Foreign jurisdiction

This insurance contract provides cover for a claim against the insured within the territorial scope specified in the insurance policy, provided that this is not prohibited by the relevant legislation.

9.24 Outside company

Outside company means any entity other than a **company** to which the natural person was or is appointed as a director or officer at the request, order or direction of the **company** provided that such outside company is not incorporated, domiciled or has its securities listed on a security exchange or market within the United States of America or is not a **financial institution**.

9.25 Subsidiary company

Subsidiary company means:

- 9.25.1** any company other than any **financial institution** and/or other than any company of whose issued share capital is offered to the public or otherwise traded on a recognised exchange in the United States of America in respect of which the **company** (either directly or indirectly through one or more of its **subsidiary** companies):
- a) controls the composition of the board of directors; or
 - b) controls more than half the voting power at a general meeting; or
 - c) holds shares (or participation) representing more than half of the issued share capital (regardless of class of share);
- 9.25.2** any other company that the **insurer** has given prior written consent to for its inclusion as a subsidiary company under this policy.

9.26 Employment practice violation

Employment practice violation means:

- 9.26.1** discrimination with respect to the terms or conditions of employment including salary, access to employment or opportunity of promotion in relation to employment on the basis of an individual's race, colour, religion, age, sex, national origin, disability, pregnancy, sexual orientation or preference; or
- 9.26.2** workplace harassment (including sexual harassment) which aims to or results in lowering of a person's dignity or aims at or results in creating a hostile or offensive working environment; or
- 9.26.3** invalid termination of employment.

9.27 Non-Executive Director

Non-executive director means any natural person who was, is or during the **period of insurance** begins serving as a member of the board of directors of the **company**

- a) who does not form part of the executive management team and acts in advisory capacity only, and
- b) who is not and has not, within the last twelve (12) months, been an employee of a **company**, or affiliated with it in any other way (other than non-executive director) and
- c) has the same legal duties, responsibilities and potential liabilities as their executive counterparts,

but only when and to the extent that such person is acting in such capacity.

9.28 Financial Institutions

Financial institutions mean:

- a) Banks (w/o limitations, i.e., such as any deposit taking and loan issuing institution, universal banks, investment banks, national banks, central banks, government reserve banks).
- b) (Re)Insurers/(Re)insurance companies.
- c) Investment firms, securities firms, broker dealers, stock brokers, asset/wealth/investment/fund managers, investment/fund advisors, funds, trusts and private equity firms.
- d) Infrastructure companies such as stock exchanges, clearing and settlement systems, depositories and financial administration companies.
- e) Any other financial service provider being involved in the trading of or advice in connection with securities.

9.29 Professional Fees

Professional fees mean reasonable and necessary fees, costs and expenses of appropriately qualified professionals appointed with the **insurer's** prior written consent.

In no event shall professional fees include (a) fees, costs and expenses which are not otherwise covered under this policy; or (b) costs attributable to a pre-claim inquiry.

9.30 Pollutant

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste. Waste is deemed to include materials to be recycled, reconditioned or reclaimed.

9.31 Policyholder

Policyholder means the entity stated in the policy

9.32 Company

Company means the **policyholder** and shall include all **subsidiaries**.

9.33 Transaction

9.33.1 the **Company** consolidating with or merging into another entity such that the **Company** is not the surviving entity, or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or

9.33.2 any person or entity or group of persons or entities acting in concert acquiring **Control** of the **company**; or

9.33.3 commencement of the bankruptcy proceeding, or winding up of, or the appointment of a receiver, administrative receiver, liquidator or administrator to the **company**.

The **Insurer** shall not be liable for **claims** that may be attributed to conduct, omission or error that was certified or committed after the date of a **transaction**.

From the date of the **transaction**, the insurance contract functions as an **extended reporting period**. The **transaction** does not in itself constitute a lapse of interest and does not terminate the contract.

9.34 Asset and Liberty Proceeding

Asset and liberty proceeding means any action taken against any **insured person** (acting in his capacity as an insured person) by any **official body** seeking:

- a) to disqualify an **insured person** from holding office as a director or officer;
- b) confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of an **insured person**;
- c) a charge over real estate property or personal assets of an **insured person**;
- d) a temporary or permanent prohibition on an **insured person** from holding the office of or performing the functions of a **director or officer**;
- e) a restriction of an **insured person's** liberty as an official detention, or to a specified domestic residence; or
- f) deportation of an **insured person** following revocation of otherwise proper, current and valid immigration status for any reason other than such **insured person's** conviction of a crime.

9.35 Bail Bond and Civil Bond Premium

Bail bond and civil bond premium means the reasonable and necessary premium (but not collateral) for any bond or other financial instrument to guarantee an **Insured Person's** contingent obligation (in connection with any **Claim, Asset and Liberty Proceeding** or **Extradition Proceeding**) for a specified amount required by a court of competent jurisdiction.

9.36 Director or officer

Member of board of directors, member of the supervisory board or executive of the **company**.

10. DEROGATION FROM THE PROVISIONS OF THE CIVIL CODE

Claims arising out of this Insurance Contract shall expire after 2 years, whereby the Insurer deviates from the provisions of the Civil Code. 6:22 (1).

The content of the Insurance Contract shall not include any previous contractual/business practice or custom of the Parties, or any custom widely known and regularly used by the subjects of a similar type of contract in the insurance business, whereby the Insurer deviates from the provisions of the Civil Code. 6:63.