



General Insurance Conditions (GIC)

Financial Loss Insurance for Financial Institutions and Financial Service Providers

- Professional liability
- Directors and officers liability
- Fidelity loss

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The Key Points at a Glance

This overview provides you with information about the key content of the insurance contract in accordance with Article 3 of the Federal Act on Insurance Contracts (ICA). The rights and obligations of the contracting parties arise on conclusion of the insurance contract, in particular on the basis of the application, the policy, the insurance conditions and the statutory provisions.

Who is the insurance carrier?

The insurance carrier is AXA Insurance Ltd., General Guisan-Strasse 40, 8400 Winterthur (hereinafter referred to as "AXA"), a stock corporation with registered office in Winterthur and a subsidiary of the AXA Group.

What is insured?

The scope of coverage of the modules included in the policy is insured.

Professional liability insurance:

The insurance covers statutory liability arising from

- Operational and occupational risk: risks arising from acts or omissions of *insureds* and from operational processes in and outside the workplace.
- Premises risk: risks arising from the ownership and possession of land, buildings or facilities.

Directors and officers liability insurance:

The insurance covers claims for damages brought against *insured individuals* in their function or capacity as director or officer of an *insured business*.

Fidelity insurance:

The insurance covers *financial loss* (including the theft of *monetary assets*, data and property) suffered by an *insured business* due to criminal acts and other intentional acts

- committed by *insured individuals*
- that occurs when an *insured business* becomes liable to a *third party* for damages
- due to a *social engineering* attack
- that occurs through betrayal of trade and business secrets.

The exact scope of coverage is found in the insurance conditions and in the quote/policy.

This is property and casualty insurance pursuant to the Insurance Contract Act.

What is not covered?

Professional liability insurance:

Specifically, the insurance **does not cover** claims

- in connection with locations outside Switzerland and the Principality of Liechtenstein
- by *insured individuals* (first party loss) (B2.1 GIC)
- based on any liability assumed under a contract that goes beyond the scope of liability imposed by law (B2.5 GIC)
- arising from contractual penalties, warranties, fines, bonds and compensation payments of a punitive nature (B2.5 GIC)
- for loss due to the destruction or loss of *monetary assets* or valuables (B2.8 GIC)
- for loss or damage whose occurrence was to be expected with a high degree of probability (B2.9 GIC)
- arising from unpaid direct and indirect levies, taxes and social security contributions (B2.13 GIC)

- that are judged under state, provincial or federal law of the *USA* or *Canada* as well as costs incurred in the *USA* or *Canada* (A2 GIC)
- in connection with fees of *insured individuals* (B2.14 GIC).

Directors and officers liability insurance:

Specifically, the insurance **does not cover** claims

- in connection with locations of legal entities outside of Switzerland and the Principality of Liechtenstein,
- arising from intentional breaches of statutory provisions and official orders or from deliberate *breaches of obligations*, subject to the advance for the costs of defense (C2.2 GIC)
- that exceed the indemnification for a loss quantifiable in monetary terms. This includes, in particular, payments of a punitive nature or which also serve as a sanction (such as fines, financial or contractual penalties, punitive or exemplary damages) (C2.4 GIC)
- arising from loss caused deliberately by the *insured individuals*, subject to the advance for the costs of defense (C2.2 GIC)
- that are judged under state, provincial or federal law of the *USA* or *Canada* as well as costs incurred in the *USA* or *Canada* (A2 GIC).

Fidelity insurance:

The insurance **does not cover**, among other things,

- *financial loss* in connection with locations outside Switzerland and the Principality of Liechtenstein
- *financial loss* caused by an *insured individual* who has a financial interest of over 30% in an *insured business* (D2.1 GIC)
- acts of an *insured individual* who has already caused a *financial loss* through an abuse of trust, if a person tasked with the management or supervision of the *insured businesses* was aware of this (D2.2 GIC)
- fines and compensation of a punitive nature (D2.3 GIC)
- indirect *financial loss* such as business interruptions (D2.4 GIC)
- *bodily injury* and *property damage* (B2.6 GIC)
- *financial loss* in connection with *cyber events* (D2.8 GIC).

The exact scope of coverage and the exclusions are found in the insurance conditions and in the quote/policy.

What indemnity does AXA provide?

Professional liability insurance:

AXA will pay the amount that the *insured* is required to pay to the injured party as compensation based on statutory liability. If the loss event is insured, AXA also covers the costs of defending against unjustified or excessive claims (passive legal protection).

Directors and officers liability insurance:

AXA will pay the amount that the *insured individuals* are required to pay to the injured party as compensation based on statutory liability. If the loss event is insured, AXA also covers the cost of defending against unjustified or excessive claims (passive legal protection).

Fidelity insurance:

AXA will pay:

- the *financial loss* suffered by an *insured business* (first party loss)
- the amount that an *insured business* is required to pay the injured party as compensation based on its statutory liability
- the costs of defending against unjustified claims in connection with insured loss events.

Indemnity is limited to the sum insured or sublimit agreed in the application or the policy, as a single aggregate per *insurance year*.

How much is the premium and when is it due?

The premium is set out in the application and in the policy. It is due on the first day of each *insurance year*.

What are the policyholder's main obligations?

Among other things, the *policyholder* must:

- notify AXA in writing as soon as possible of any change to a circumstance that is of significance for assessing the risk (A10.1.4 GIC)
- eliminate, at their own expense, any hazardous condition that could lead to a loss (A8.1 GIC)
- notify AXA as soon as possible of the occurrence of any event whose likely consequences could affect the insurance (E3.1 GIC)
- refrain from any direct negotiations with the injured party. In addition, the *policyholder* must not acknowledge any claims and/or enter into any settlement (E5 GIC).

Additional duties and obligations are found in the insurance conditions and in the quote/policy.

When does the notice of claim need to be filed?

If an event occurs whose consequences are likely to affect the insurance, the *policyholder* must notify AXA immediately. This duty to notify also applies if police investigations are initiated against an *insured* because of an event (E3 GIC).

When does coverage begin and end?

Coverage begins on the date specified in the policy. AXA may reject the application up until the date on which it issues the policy or a definitive cover note. The insurance is valid for the period specified in the policy.

Unless the insurance contract is terminated on expiry, it is automatically renewed for another year. If the insurance contract is concluded for less than one year, it expires on the date specified in the policy.

What loss or damage is insured in terms of time?

Professional liability insurance:

The insurance covers claims brought for the first time against *insureds*, or against AXA as their liability insurer, during the *policy period* (A3 GIC).

Directors and officers liability insurance:

The insurance covers claims brought for the first time against an *insured*, or against AXA as their liability insurer, during the *policy period* (A3 GIC).

Fidelity insurance:

The insurance covers *financial loss* which is discovered for the first time during the *policy period* (A3 GIC).

How to exercise the right of withdrawal.

The *policyholder* may withdraw from the contract with AXA within 14 days of their acceptance. This deadline will be met if AXA receives notice of withdrawal in writing or in another form of text (e-mail, for example) by no later than the last day of the withdrawal period.

On withdrawal, any indemnity already received will have to be repaid.

Special information for the Principality of Liechtenstein

The applicant is bound by the application to conclude an insurance contract within two weeks of submitting or sending the application.

If AXA breaches the duty to provide information pursuant to the Liechtenstein Insurance Contract Act or the Liechtenstein Insurance Supervision Act, the *policyholder* will have the right to withdraw from the contract within four weeks of receipt of the policy.

The responsible supervisory authority is the Swiss Financial Market Supervisory Authority (FINMA), 3000 Bern.

What definitions apply?

The key terms are explained in Part F under "Definitions" and are shown in the GIC in italics.

What data does AXA use and how?

AXA uses data in compliance with the applicable statutory provisions. More information may be found at [AXA.ch/data-protection](https://www.axa.ch/data-protection).

General Insurance Conditions (GIC)

Part A Underlying Provisions of the Insurance Contract

A1 Scope of the contract

The following modules may be insured as part of this combined insurance:

- *Professional liability insurance* (including commercial third-party liability insurance)
- *Directors and officers liability insurance*
- *Fidelity insurance*

The policy specifies which insurance modules have been taken out. The policy, these General Insurance Conditions (GIC), and any Special Insurance Conditions (SIC) provide information about the scope of coverage.

A2 Territorial scope

The insurance covers claims arising from loss occurring anywhere in the world.

If the foreign law governing the liability of the *insured* prohibits the conclusion of an insured module, or if such law permits only a limited scope of insurance, the insurance coverage will lapse or be in place only to the extent permitted under the applicable foreign law.

The insurance **does not cover** claims that are judged under *US* or *Canadian* state, provincial or federal law, or costs incurred in the *US* or *Canada* (costs of civil and criminal defense, etc.), instruments of enforcement (judgments, arbitration awards, etc.) and settlements.

A3 Trigger

A3.1 Insured claims or losses

Professional liability insurance:

The insurance covers claims brought for the first time against *insureds*, or against AXA as their liability insurer, during the *policy period*.

Directors and officers liability insurance:

The insurance covers claims first brought against an *insured*, or against AXA as their liability insurer, during the *policy period*.

Fidelity insurance:

The insurance covers *financial loss* which is discovered for the first time during the *policy period*.

A3.2 Date of the claim or date of discovery of the loss

Professional liability and directors and officers liability insurance:

The date on which the claim is made is deemed to be:

- the date on which a written claim is brought for the first time against an *insured*, or against AXA as their insurer, or the date on which an *insured*, or AXA as their liability insurer, is notified in writing that a claim under this insurance could be brought against them

- the date on which AXA is notified in writing, to the extent required, of circumstances defined in E3.1. The consequence of such a notification is that claims resulting from these circumstances will be handled as if they had been made in writing and reported to AXA at the time of said notification
- the date on which an *insured*, or AXA as their liability insurer, first becomes aware that criminal, administrative, supervisory or investigative proceedings have been initiated against *insureds* that could result in an insured claim

If multiple criteria apply for the same event, the earliest date applies.

Fidelity insurance:

The relevant date is the date on which a representative of an *insured business* first discovers the *financial loss*, provided that the representative is not the *offender*. For liability claims pursuant to D1.2, the date on which AXA becomes aware of the financial loss is relevant, if this occurred at an earlier date.

A3.3 Loss prevention costs

Professional liability insurance:

A claim for loss prevention costs is deemed to be asserted on the date on which *insureds* first determine that a loss is imminent.

A3.4 Serial loss

Professional liability and directors and officers liability insurance:

All claims arising from a *serial loss* are deemed to be made on the date on which the first claim (A3.2) is asserted. If the first claim of a *serial loss* is asserted prior to the start of the contract, none of the claims arising from losses in this series are insured.

Fidelity insurance:

In the case of a *serial loss*, the time of the occurrence of all *financial losses* is deemed to be the date on which a representative of an *insured business* initially discovers the first of the *financial losses* belonging to the series, provided that the representative is not the *offender*. For liability claims pursuant to D1.2, the date on which AXA becomes aware of the financial loss is relevant, if this occurred at an earlier date. If the initial discovery was made prior to the start of the contract, none of the claims arising from *financial losses* in this series are insured.

A3.5 Indemnity and limits

Indemnity and limits are governed by the contractual provisions (such as provisions relating to sums insured or deductibles) that were in effect at the time the claim was first asserted (*professional liability insurance* and *directors and officers liability insurance*) or first discovered (*fidelity insurance*) in accordance with A3.2.

A3.6 Omission
Directors and officers liability insurance:
In case of doubt, a *breach of duty* by omission is deemed to have occurred on the day on which the act that was not performed or was omitted should have been performed at the latest in order to prevent the occurrence of the *financial loss*.

A3.7 Prior acts
A3.7.1 Prior acts coverage
Professional liability and directors and officers liability insurance:
The insurance also covers claims arising from loss or *serial loss* due to *breaches of duty* that occurred prior to the initial conclusion of this contract or the initial conclusion of the module concerned. This will only be the case, however, if the *insureds*, prior to the initial conclusion of this contract or the initial conclusion of the module concerned, did not know or could not have known, under the circumstances, of any *breach of duty* giving rise to liability on their part.

Fidelity insurance:
Financial loss caused prior to the initial conclusion of this contract or the initial conclusion of the module concerned are only insured if the *policyholder* can credibly demonstrate that no representative of an *insured business* (other than the actual *offender*) was aware of the loss when the contract was concluded.

A3.7.2 Prior acts coverage in connection with acquired subsidiaries
If the *policyholder* acquires a company during the *insurance year*, any claims for loss caused prior to inclusion of the company in this contract are excluded from the insurance. The *policyholder* has a right to request a quote from AXA for the prior risk relating to a newly acquired *subsidiary*. In such a case, AXA reserves the right to define the conditions and the premium. The request must be submitted no later than 30 days following the acquisition (closing date) of the *subsidiary* concerned.

A3.7.3 Expansion of indemnity or the scope of insurance
Professional liability and directors and officers liability insurance:
If the insured indemnity or the scope of insurance are expanded, coverage is provided under the new agreements only if the *insureds* did not know or could not have known, under the circumstances, of any *breach of duty* giving rise to liability prior to the date on which the amendment to the contract entered into effect.

Fidelity insurance:
If the insured indemnity or the scope of insurance are expanded, insurance coverage is provided under the new agreements only if no representative of an *insured business* (other than the actual *offender*) was aware of any act defined in D1.2 prior to the date on which the amendment to the contract entered into effect.

A3.8 Extended coverage period
A3.8.1 During the term of the contract
Professional liability and directors and officers liability insurance:
If, during the term of the contract:

- an *insured person* leaves the group of insureds
- a *subsidiary* or a *co-insured business* ceases to exist due to sale or liquidation, for example
- a part of a business or an insured activity is discontinued
- an insured third-party mandate is discontinued,

insurance coverage will continue to apply during the *policy period*, provided that the *breach of duty* giving rise to liability took place prior to the date of the above-mentioned events. Accordingly, this date will be deemed to be the date on which the claim is made.

Fidelity insurance:
If, during the term of the contract, a *subsidiary* or a *co-insured business* ceases to exist due to sale or liquidation, for example, insurance coverage will continue for 12 months, provided that it can be proven that the *financial loss* was caused prior to the subsidiary or business ceasing to exist, even though a representative of an *insured business* (other than the actual *offender*) only became aware of the loss within this 12-month period.

A3.8.2 On expiry of the insurance or exclusion of modules
If an insured module is excluded or the contract is terminated or not renewed by AXA or the *policyholder*, AXA will grant the *policyholder* extended coverage (except in the case of termination in the event of a claim or due to a default in payment of the premium) to the following extent:

- **Professional liability insurance:**
The insurance coverage extends to claims arising from loss brought after expiry of the insurance or exclusion of the module and within the statutory limitation period, provided that this loss was caused prior to expiry of the insurance or exclusion of the module. Claims that are made during such an extended coverage period and that are not part of a *serial loss* as defined in F13 are deemed to have been filed on the day on which the contract ended.

- **Directors and officers liability insurance:**
The insurance coverage extends to claims arising from loss that are made after expiry of the insurance or exclusion of the module and within 12 months, provided that this loss was caused prior to expiry of the insurance or exclusion of the module. Claims that are made during such an extended coverage period and that are not part of a *serial loss* as defined in F13 are deemed to have been filed on the day on which the contract ended. In addition, AXA grants each *insured individual* that leaves the group of insureds prior to expiry of the last *insurance year* of their own volition, exclusively due to restructuring, health and/or age-related reasons (retirement), automatic and premium-free extended coverage from the date on which they leave for any claims made within the statutory limitation period against them or against AXA as their liability insurer. A3.8.3 GIC remains reserved.

- **Fidelity insurance:**
The insurance coverage extends to *financial loss* that is proven to have been caused prior to the expiry of the last contract term of this policy, even though a representative of an *insured business* (other than the actual *offender*) only became aware of this loss within 12 months following expiry of the insurance or exclusion of the module.

In such a case, the scope of insurance is governed by the insurance conditions that were in effect during the last *insurance year*. Indemnity provided by AXA under the extended coverage is limited to the as yet unused portion of the sum insured or sublimit available for the last *insurance year*. The notice of claim must be received by AXA no later than 30 days following the end of the extended coverage period. Otherwise, in partial amendment of A8.4, no coverage will be provided.
For the modules *directors and officers liability insurance* and *fidelity insurance*, the *policyholder* also has the op-

tion of purchasing a longer extended coverage period for an additional premium for each module. An application for this optional longer extended coverage period that is subject to a premium must be submitted to AXA in writing no later than 30 days after the end of the last *insurance year*. In this case, AXA reserves the right to define the conditions and premium for the extended coverage period. The provisions pursuant to the 4th paragraph of A4 remain reserved.

A3.8.3 **Extended coverage period in the event of forced liquidation (bankruptcy, for example), merger or acquisition of the policyholder**

Directors and officers liability insurance:

As from the date of any forced liquidation, merger or acquisition of the *policyholder* by one or more natural persons or legal entities (together accounting for at least 50% of the voting rights), AXA grants an automatic extended coverage period of 12 months for *breaches of duty* that were committed prior to the commencement of the forced liquidation or the initiation of bankruptcy proceedings, or before the completion (closing date) of the merger or acquisition.

The *policyholder* has the right, prior to the end of this extended coverage period, to request a quote from AXA for an additional extended coverage period. In such a case, AXA reserves the right to define the conditions and the premium.

AXA waives application of the two preceding paragraphs if the majority of voting rights in the *policyholder* are transferred to heirs as part of a company succession arrangement within a family or to the current management as part of a management buyout. In addition, any composition proceeding in respect of the *policyholder* has no impact on the insurance coverage unless the proceeding ends in forced liquidation of the policyholder.

A3.8.4 **Statutory provisions**

Mandatory statutory provisions governing the extended coverage period that go beyond A3.8.1 or A3.8.2 take precedence over these provisions.

A3.8.5 **Other insurance**

The extended coverage period does not apply if the claim asserted is covered in whole or in part by another insurance.

A4 Term of the contract

The insurance contract begins on the date specified in the policy. It is concluded for the term specified in the policy. The insurance contract is renewed automatically for another year on expiry unless it is terminated by one of the contractual partners within the relevant notice period.

A contract concluded for less than one year expires on the date specified in the policy. Any provisional insurance coverage that may be in place ends once the policy is issued.

AXA may reject the application. Any provisional insurance coverage that may be in place will end three days following receipt of the notice by the person making the application. In this case, this person will owe the pro rata premium for the policy period.

If bankruptcy proceedings are initiated against the *policyholder*, the contract will remain in place and the bankruptcy administrator is required to comply with it. For the module, *directors and officers liability insurance*, only the extended coverage pursuant to A3.8.3 will apply from the date of the initiation of bankruptcy proceedings.

A5 Termination of the contract

A5.1 Ordinary termination

Either contracting party may terminate the contract or an individual module in writing or another form of text (e-mail, for example) as of the end of any *insurance year*, subject to compliance with a period of notice of three months (annual right of termination).

A5.2 Termination in the event of a claim

After a claim for which AXA provides indemnity, the *policyholder* may terminate the relevant module in writing or in another form of text (e-mail, for example) not later than 14 days after they become aware of payment of the indemnity. The insurance coverage ends 30 days following receipt by AXA of the notice of termination. AXA waives its right to terminate the contract in the event of a claim.

A5.3 Termination in the event of an increase or decrease in risk

A10.1.5, A10.1.6 and A10.2 apply.

A6 Premiums

A6.1 Premium amount and due date

The premium specified in the policy is due on the first day of each *insurance year*; the due date for the first premium is specified in the invoice. In the event of payment in installments, the installments due during the *insurance year* are deemed to be deferred. AXA may add a surcharge to each installment.

A6.2 Discount if concluding more than one module (combination discount)

If the combination discount is increased or reduced due to a change to the contract, the new combination discount will apply from that time. A change to the combination discount may affect the premiums for all modules.

A6.3 Premium calculation

The method of premium calculation is specified in the policy.

A7 Deductible

E2 applies.

A8 Duty of care and other obligations

A8.1 Elimination of a hazardous condition

The *insured businesses* are required to eliminate, at their own expense, any hazardous condition that could result in insured

- *bodily injury or property damage* as defined in Part B (professional liability insurance),
- *loss* as defined in Part D (fidelity insurance).

AXA can request that a hazardous condition be eliminated within a reasonable period of time.

A8.2 Data backups and protection systems

In addition, the following obligations apply to the extensions of cover as defined in B3.1 (cyber liability) and B3.3 (loss of electronic data):

The insured businesses must take the following measures:

- A backup of all data must be performed at least once a week. By way of an amendment to F4, operating systems or programs not manufactured by the policyholder or co-insured companies themselves do not come under the definition of *electronic data* and are thus exempt from the obligation to make regular backups.
- At least one weekly backup of data must be stored separately from the network of the *insured businesses*. In addition, the network-independent data backups as well as programs and licenses must not be stored in such a way that they could be damaged, destroyed or lost together with the originals.
- The obligation to perform a backup does not apply if the insured uses an external cloud computing system that is not operated by *insureds*, as long as the provider of the cloud computing system has agreed by contract to perform the data backup. This must satisfy the above-mentioned requirements.
- The *insured businesses* must use a manufacturer-supported operating system that comes with security updates and must use protective systems (such as internet protection programs, antivirus software and firewalls).
- The manufacturer-recommended security updates to operating systems, protective systems, user programs and software in connection with online shops and websites must be performed within a reasonable period, but in any case not later than 60 days following their release date.

**A8.3 Advisory or asset management contract
Professional liability insurance:**

The *financial services* must be performed on the basis of an advisory agreement or asset management agreement/trust deed concluded in writing or in another form of text. The same applies to subsequent amendments to such agreements as well as to recommendations and advice.

The agreement or trust deed must contain at least the following:

- scope of the powers of the *policyholder*
- exact designation of the parties
- risk profile of the client (risk tolerance and risk capacity), if such a profile is required by law
- investment objectives and restrictions
- reference currency
- method and frequency of account statements for the client
- possibility of delegating tasks to *third parties*.

A8.4 Breach of obligations or duty to notify

If *insureds* breach an obligation with which they are required to comply (pursuant to A8.1, A8.2, A8.3, B3.1.3, B3.13.3, B3.14.2, E5, for example) or the duty to notify and provide information (pursuant to A10.1.4, E1.7, for example), coverage will lapse. Coverage will not lapse, however, if the *insureds* prove that the breach did not have any effect on the occurrence of the insured event and the scope of the indemnity owed by AXA, or that the breach, under the circumstances, can be regarded as having occurred though no fault of their own.

A8.5 Duty of care and other obligations in the event of a claim

E3, E4.3.1, E4.3.2 and E5 apply.

A9 Duty to provide information

A9.1 Communication with AXA

Insureds must address all communications to the responsible branch office or registered office of AXA.

A9.2 Increase or decrease in risk

A10.1.4 and A10.2 apply.

A9.3 Obligation to provide information

On request, the *policyholder* must provide AXA with information on the risk assessment as well as the current auditor's report or the financial statements (annual report, income statement, balance sheet, notes).

A9.4 Claims

E3 applies.

A10 Increase or decrease in risk

A10.1 Increase in risk

A10.1.1 Newly added persons

If additional new persons are added after the contract is concluded, they are also insured for their activities for the *insured business* (contingent insurance).

A10.1.2 Newly added companies

If the *policyholder* establishes or acquires a *subsidiary*, this *subsidiary* and its officers and directors will likewise be deemed to be *insureds* from the date of foundation or acquisition, provided that it is located in Switzerland or the Principality of Liechtenstein, it engages in the insured activity, and the new *subsidiary* does not fall under the provision of A10.1.3 d) (contingent insurance).

A10.1.3 Change in material circumstances

The following are deemed to constitute a change in material circumstances:

- a) a major change in the declared *financial services* (commencement of a new activity that requires a permit, for example)
- b) increase of over 50% in assets under management by the *insured business* within the last *insurance year*
- c) revocation of the license or permit to operate the *insured business*
- d) the acquisition/foundation of a *subsidiary*
 - whose balance sheet total exceeds CHF 100 million
 - that is listed on a stock exchange
 - whose registered office is outside Switzerland or the Principality of Liechtenstein
- e) the forced liquidation (bankruptcy, for example) or merger of the *policyholder*
- f) the direct or indirect acquisition of at least 50% of the voting rights of the *policyholder* by one or more individuals or legal entities acting alone or jointly
- g) the initial public offering of an *insured business*
- h) the reporting of negative equity based on the consolidated, audited financial statements of the *policyholder*. If no consolidated, audited financial statements are available, the individual financial statements of the *insured businesses* for the respective past financial year will be relevant
- i) a change, that increases risk, of a fact that the contracting parties discovered when answering questions on the application form for the fidelity insurance module.

- A10.1.4 **Duty to notify**
The *policyholder* is required to notify AXA of any:
- a) newly added persons and companies**
in writing or in another form of text (e-mail for example) by no later than the end of the *insurance year*, including the following information:
- number of full-time equivalent positions for newly added persons pursuant to F23
 - name, domicile, legal form, business purpose, size of the holding and number of full-time equivalent positions pursuant to F22 of the newly added businesses
- b) change in material circumstances**
within the meaning of A.10.1.3, in writing or in another form of text (e-mail for example), immediately upon becoming aware of them

- A10.1.5 **Rights of AXA**
In respect of the newly added companies or a change in risk, AXA reserves the right:
- a) to redefine the premium and conditions retroactively
- b) to reject their inclusion
- c) to terminate the contract within 14 days following receipt of the notification
- For newly added persons, AXA has the right to retroactively apply a premium based on the applicable rate from the date on which they joined. If AXA refuses to accept the new company or the change in risk, or if it terminates the contract, the contingent insurance or the contract will end 30 days after the written rejection or notice of termination is received by the *policyholder*. AXA is entitled to the premium corresponding to the risk from the date on which coverage began to the date on which the contingent insurance or the contract ends.

- A10.1.6 **Policyholder's right of termination**
The *policyholder* can terminate the contract within 14 days if no agreement is reached on the new premium or the new conditions.
AXA is entitled to the premium corresponding to the risk from the date on which coverage began to the date on which the contingent insurance or the contract ends.

-
- A10.2 Decrease in risk**
In the event of a significant decrease in risk, the *policyholder* is entitled to terminate the contract in writing or in another form of text (e-mail, for example) by giving a period of notice of four weeks, or to request a reduction in premium.
If the *policyholder* requests a reduction in premium, AXA will reduce the premium correspondingly from the date on which it receives notification from the *policyholder*.
if the *policyholder* is not in agreement with the reduction in premium, it may terminate the contract in writing or in another form of text (e-mail, for example) within 30 days of receipt of notification of the new premium by giving a period of notice of four weeks.

A11 Principality of Liechtenstein

If an *insured business* has their domicile or registered office in the Principality of Liechtenstein, the references to provisions of Swiss law contained in the insurance contract documents shall be construed as referring to the corresponding provisions of Liechtenstein law.

A12 Applicable law and place of jurisdiction

- A12.1 Applicable law**
This insurance contract is governed by Swiss substantive law; in the case of *policyholders* having their domicile or registered office in the Principality of Liechtenstein, the insurance contract is governed by Liechtenstein substantive law.

- A12.2 Place of jurisdiction**
The ordinary courts of Switzerland and, in the case of *policyholders* having their domicile or registered office in the Principality of Liechtenstein, the ordinary courts of Liechtenstein, have exclusive jurisdiction over any disputes arising out of or in connection with the insurance contract, including lawsuits filed by *insureds* or *third parties* for indemnity for liability claims.

A13 Place of performance

Compensation paid to *insureds* or *third parties* under this contract is to be paid exclusively to the registered office of the *policyholder* or the registered office of AXA.

A14 Sanctions

Insurance coverage does not apply insofar and as long as applicable legal economic, trade or financial sanctions prevent indemnification under the contract.

A15 Attribution of knowledge (severability)

Directors and officers liability insurance:
Errors in and the omission of statements and information in the application/questionnaire are attributed only to those *insured individuals* who completed and/or signed the application, or who were aware of the false declaration on the application (waiver of attribution of knowledge).
Knowledge of such errors and omissions will, however, be attributed to all *insured individuals* in the event of a false declaration in connection with the questions on the financial situation in the application/questionnaire. In the cases where the exclusions in C2.2 and C2.3 apply, the knowledge and *breach of duty* of one *insured individual* will not be attributed to any other *insured individual*.

A16 Assignment of claims for compensation

Professional liability and directors and officers liability insurance:
Claims of *insureds* against *third parties* for compensation devolve to AXA to the extent of the indemnity paid by AXA. *Insureds* shall be liable for any *breach of duty* that could negatively affect the rights of recourse. Insurance coverage will cease to apply if *third parties* are released from liability without the consent of AXA.

Part B

Scope of Insurance – Special Provisions Professional Liability Insurance

B1 Insured risk, insured activity and insured liability

B1.1 Insured liability

AXA offers providers of *financial services* insurance coverage for claims for damages brought against *insureds* (or within the scope of a direct claim, against AXA as their liability insurer) on the basis of statutory liability provisions for *bodily injury, property damage* and *financial loss* as a result of a *breach of duty*. Statutory liability also includes statutory liability arising from breach of contract.

B1.2 Engagement of third parties

The insurance covers claims brought against *insureds* for any loss caused by companies and independent professionals (such as subcontractors) engaged by *insureds* in the capacity of auxiliaries.

The insurance **does not cover** the personal liability of these companies and professionals.

B1.3 Staff loaned or hired out

If an *insured business* loans or hires out staff to a *third party* (lease of labor or services) and if any such staff causes a loss while performing their work for this *third party*, the insurance will cover claims arising from loss brought against the *insured business*.

The insurance **does not cover** the liability of such *third party* as principal for any loss or damage caused by staff loaned or hired out.

B1.4 Violation of privacy rights and data protection provisions

The insurance covers claims arising from losses due to:

- the unlawful use of confidential information and trademarks
- the infringement by *insureds* of copyright, trademark, patent and other industrial property rights, as well as privacy rights or data protection provisions

The insurance **does not cover** claims in connection with unfair competition.

B1.5 Consortia and associations

The insurance covers claims arising from losses incurred due to an *insured's* own activity in connection with consortia and associations. Liability arising from membership in consortia and associations is insured only on the basis of special agreements (joint and several liability).

B2 Professional liability insurance exclusions

B2.1 First party loss

The insurance **does not cover** claims arising from:

- damage or loss incurred by the *insureds*, with the exception of *bodily injury* and *property damage* sustained by employees and other auxiliaries as defined in F23.2 and F23.3 based on Swiss liability law provisions
- loss affecting the person of the *insured business*, such as loss of support
- damage or loss incurred by persons living in the same household as the liable *insured individual*.

B2.2 Parties involved in the business

The insurance **does not cover** claims by natural persons, legal entities, fiduciaries and trusts or trustees that have a direct or indirect financial interest in an *insured business* of greater than 30%. The insurance likewise does not cover claims by companies under the same management as an insured company (companies controlled by the same natural person, for example).

B2.3 Lack of qualifications or authorization to exercise a profession

The insurance **does not cover** claims arising from loss caused by an *insured individual* in the course of activities undertaken without the special qualifications or authorizations required by law.

License requirement:

If a license from the supervisory authority is required for the activity of the *insured*, insurance coverage is provided if this license is in place. During the period of the statutory transitional provisions and until such time as a decision with respect to the license is made by the supervisory authority, insurance coverage is also provided if the *insured* is permitted to perform the activity without a license.

Entry in the register of advisors:

If the activity of the *insured* requires registration in the register of advisors of a registration office pursuant to the Financial Services Act (FinSA), insurance coverage is provided if this registration is in place or if the *insured* is permitted to perform the activity during the period of the statutory transitional provisions without being registered in the register of advisors or with being registered on a limited basis.

B2.4 Assumptions or conjecture

The insurance **does not cover** claims arising from losses due to asset valuations, analyses and expert opinions based primarily on assumptions and conjecture, for which no method recognized by the relevant profession was applied.

B2.5 Contractual liability, contractual penalties, warranties, penalty payments

The insurance **does not cover** claims brought on the basis of liability assumed under a contract that goes beyond the scope of liability imposed by law. The insurance likewise does not cover claims arising from contractual penalties, warranties, penalty payments, bonds and compensation payments that exceed the indemnification for a loss quantifiable in monetary terms. In particular, these include payments of a punitive nature such as punitive/exemplary damages.

B2.6 Insurance

The insurance **does not cover** claims arising from a failure to take out, amend or continue insurance coverage.

B2.7 Reduction in value

The insurance **does not cover** claims arising from loss attributable to external influences such as reductions in

value, price losses and/or poor returns, or to aleatory business, unless they are directly attributable to a *breach of duty* by an *insured* during the execution or implementation of the *financial service*. In such cases, AXA assumes the costs of defending against claims in accordance with E1.2.2.

B2.8 Monetary assets and valuables

The insurance **does not cover** claims arising from cash management shortfalls. The insurance likewise does not cover claims with respect to *monetary assets* or valuables that are destroyed or lost.

This exclusion does not apply to the liability of *insureds* to their clients arising from advice and representation in connection with *monetary assets*.

Claims and/or proceedings in direct/indirect connection with virtual currencies that are not stored in a decentralized manner and/or are not based on blockchain technology (fake cryptocurrency) are generally excluded.

B2.9 High likelihood and acceptance

The insurance **does not cover** claims arising from loss:

- that should have been anticipated with a high degree of probability by the *insured*
- that was accepted in order to reduce costs, speed up the work, or in order to prevent a pecuniary loss or loss of earnings.

B2.10 Criminal acts and other intentional acts

The insurance **does not cover** claims arising from intentional, willfully reckless or criminal acts or omissions, *breaches of duty* committed intentionally or intentional breaches of statutory or official provisions by an *insured*. The insurance does, however, cover the advance for defense costs in accordance with E1.2.3.

B2.11 Customer data

The insurance **does not cover** claims arising from losses in connection with the theft of customer data.

B2.12 Directors and officers liability

The insurance **does not cover** claims in connection with the capacity or function of an *insured individual* as a (de facto) officer or director of a legal entity.

B2.13 Taxes, levies and social security contributions

The insurance **does not cover** claims arising from unpaid direct and indirect levies, taxes (withholding tax, value added tax, etc.) and social security contributions (OASI, DI, LEC, UI, OPA, etc.). This exclusion relates to direct claims made against an *insured* by public authorities or by private law entities acting in their stead. This exclusion does not apply to the liability of *insureds* to their clients, namely arising from advisory services.

B2.14 Fees, retrocessions or commissions

The insurance **does not cover** claims in connection with the fees of *insureds*. Likewise, the insurance does not cover claims related to retrocessions and commissions. Moreover, no insurance coverage is granted to the extent that a reduction or repayment of fees owed by *insureds* without an indemnity would lapse due to the payment of insurance benefits.

B2.15 Bodily injury and property damage arising from performance of contract

The insurance **does not cover** claims arising from *bodily injury* and *property damage* in connection with the per-

formance of contracts. Likewise, the insurance does not cover claims in lieu thereof for compensation due to non-performance or improper performance (business risk). In particular, the insurance does not cover claims:

- arising from damage to and defects in goods and services that were manufactured or delivered by or on behalf of an *insured*, where such damage and defects arose as the result of a cause in the manufacture, delivery or work performed
- for costs incurred in connection with investigating and remedying such damage or defects
- for loss of earnings or pecuniary loss as a result of such damage or defects

The insurance also does not cover concurrent extra-contractual claims on the basis of the same facts, asserted against *insureds* with or in lieu of any claim otherwise excluded under this provision.

B2.16 Damage to property in care, custody and control

The insurance **does not cover** claims arising from any loss of or damage to property that an *insured* has accepted for use, processing, safekeeping, forwarding, or for other reasons such as for consignment or exhibition purposes, or that the *insured* has rented, leased or held under a usufructuary lease.

B2.17 Product liability, ionizing radiation, nuclear damage, environmental impairment, asbestos, genetic engineering

The insurance **does not cover** claims in connection with:

- product liability loss
- the effect of electromagnetic fields (EMF) and ionizing radiation
- nuclear damage as defined in the Swiss legislation on nuclear energy liability and the costs associated with such damage
- *environmental impairment*
- asbestos
- genetically modified organisms or assimilated products, and pathogenic organisms.

This exclusion does not apply to *financial loss* arising from advisory services and the representation of parties involved in such cases.

B2.18 Patents, licenses, research results, software

The insurance **does not cover** claims arising from the provision of patents, licenses, research results, formulas, recipes, software, or construction, manufacturing or building plans to *third parties*.

B2.19 Keeper or use of motor vehicles, aircraft or watercraft

The insurance **does not cover** claims arising from liability as keeper of or from the use of motor vehicles, aircraft and watercraft.

B2.20 Hazardous activities

The insurance **does not cover** claims in connection with hazardous activities pursuant to the Federal Act on Accident Insurance (AIA).

B2.21 Warlike, terrorist and other special events

The insurance **does not cover** claims in connection with warlike events, neutrality violations, terrorism, revolution, rebellion, uprising, civil unrest and measures taken to contain such events, or in connection with strikes, kidnapping, extortion and ransom demands.

B2.22 Money laundering
The insurance **does not cover** claims arising from actual or alleged money laundering.

B2.23 Bankruptcy
The insurance **does not cover** claims in connection with a bankruptcy, an insolvency or composition proceedings of an *insured* or a *third party*.

B2.24 Technical failure
The insurance **does not cover** claims due to a power failure or the failure of telephone, data transmission or network systems unless the failure is due to a *breach of duty* by an *insured*.

B3 Extensions of cover for professional liability

B3.1 Cyber liability event

B3.1.1 Scope of insurance

The insurance covers claims for damages arising from a cyber liability event pursuant to F1.2 brought against *insureds* on the basis of statutory liability provisions for *financial loss*.

The insurance covers claims for damages arising from a cyber liability event pursuant to F1.2 as a result of an interruption of a service that is provided by *insureds*.

Claims for damages arising from a cyber liability event pursuant to F1.2 in connection with the interruption of the functionality of computer centers as well as cloud and web services are only insured if the continuous outage lasts more than eight hours.

B3.1.2 Exclusions in addition to B2

The insurance **does not cover** claims arising from:

- loss in connection with the deliberate use of pirated copies by *insureds*
- *bodily injury* and property damage
- loss arising from misuse of credit, bank, customer identification or other cards (card misuse)
- loss due to online banking or online payment systems
- claims arising from losses related to the failure, interruption, or reduction in services of public utilities and infrastructure or of external service providers (e.g. telecommunications companies). This exclusion does not apply to *cyber events* affecting cloud computing systems used under contract by the *insureds*.

B3.1.3 Obligations in the event of a claim

- a) If, in the event of a claim, it is determined that the IT security precautions and protective systems are inadequate, the *insured business* is required to implement suitable measures at their own expense.
- b) In the event of any breach of data protection, the *insured business* is required to notify the police immediately and to request an official investigation. In addition, the *insured business* must also take steps, together with the investigating authorities and AXA, to identify the offender.

B3.2 Loss of physical documents

In amendment of B2.16, the insurance covers liability arising from the destruction of, damage to or loss of physical documents of *third parties* that were in the possession of *insureds* or a person to whom *insureds* had entrusted such documents. B2.8 and B2.11 remain reserved.

The costs and expenses incurred for the restoration or replacement are also insured. If *insureds* undertake the replacement of documents themselves, AXA will only pay the direct costs.

B3.3 Loss of electronic data

In derogation of B2.16, the insurance covers liability arising from the destruction of, damage to or loss of electronic data of *third parties*, except for source code.

The prerequisite for indemnity is that the destroyed, damaged or lost data must not originally have been entered, programmed or modified by *insureds* or any *third parties* commissioned by them. Insurance coverage is limited to the costs and expenses incurred for the restoration or retrieval of the electronic data. If *insureds* undertake the retrieval of electronic data themselves, AXA will only pay the direct costs.

The provisions of B3.1 apply to claims for damages arising from a cyber liability event.

B3.4 Waiver of the objection of gross negligence

AXA waives its right under Art. 14 (2) of the Federal Insurance Contracts Act (ICA) to reduce its indemnity if the event was caused by *insureds* through gross negligence.

B3.5 Loss prevention costs

If the occurrence of an insured *financial loss* is imminent as the result of a *breach of duty* that has been established, measures to prevent the anticipated *financial loss* are insured.

Loss prevention costs consist exclusively of reasonable and necessary

- fees, costs and expenses of external experts
- fees, costs and expenses to initiate legal steps against potential claimants, or
- compensation to potential claimants (risk buyout) to avoid/prevent a claim or minimize a *financial loss*.

The following cumulative conditions must be met:

- AXA was notified of the underlying facts in advance
- the loss reported would have been insured under this policy
- AXA granted its prior written consent to the costs incurred.

The following do not constitute loss prevention costs:

- costs in connection with preventing anticipated *bodily injury* or *property damage*
- compensation and overtime paid to an *insured individual* as well as operating costs of an *insured business*
- costs arising from corrective measures due to trading errors
- costs in connection with the recall or withdrawal of goods and the preparatory work necessary in this regard, or other measures taken in place of the recall or withdrawal.

B3.6 Liability during business travel and while working from home

The insurance covers the liability of the *insureds* for *bodily injury* and *property damage* during travel and stays for business purposes, both in the course of their professional activities and in their activities as private individuals. However, this will apply only if no other liability coverage is in force.

The insurance also covers claims arising from damage to premises used by *insured individuals*, such as hotel rooms and apartments. The foregoing is in amendment of B2.16. The insurance covers claims arising from damage or loss that occurs anywhere in the world, including the *USA* and *Canada*. The second paragraph of A2 does not apply.

| | | | |
|-------------|--|--|--|
| B3.7 | Ancillary risks | <p>The insurance covers claims arising from <i>bodily injury</i> and <i>property damage</i> in connection with the following ancillary risks of business operations:</p> <ul style="list-style-type: none"> • participating in trade fairs and exhibitions • organizing, preparing and staging business, sports and leisure events • use by an <i>insured individual</i> of bicycles and motor vehicles with low motor power or low speeds as defined by the Swiss Vehicles Insurance Ordinance (such as pedal electric bicycles with motor assistance up to a maximum of 25 km/h, motor-assisted hand carts). The coverage excludes travel to and from work. The foregoing is in amendment of B2.19 • operating staff restaurants • company club activities. | <ul style="list-style-type: none"> b) if, for the project, an excavation pit is created with a depth of more than one story c) on a slope with a gradient of more than 25 % d) that involves underpinning or undercrossing a neighboring structure e) that involves abutting a structure belonging to a <i>third party</i>. This exclusion provision does not apply in the case of civil engineering work in connection with the creation, expansion, remediation or maintenance of roads, squares, sidewalks, pipes and manholes f) that involves lowering the water table g) for which work causing strong vibrations, such as blasting or pile-driving, is performed h) that involves vibratory sheet piling or extraction i) for which borehole drilling (for heat probes or pile foundations, for example) is planned |
| B3.8 | Real property | | |
| B3.8.1 | Scope of coverage | <p>The insurance covers liability arising from <i>bodily injury</i> and <i>property damage</i> attributable to land, buildings, premises, other types of plants and facilities in Switzerland and the Principality of Liechtenstein, regardless of whether or not these are used by the insured company.</p> | <p>The insurance also does not cover claims:</p> <ul style="list-style-type: none"> j) that affect the construction project itself or the land belonging to it k) that are related to the reduced flow or drying-up of a water source. |
| B3.8.2 | Co-ownership (including condominiums) | <p>In addition, the following applies to land, buildings and premises as defined in B3.8.1 that are co-owned or owned as a condominium:</p> <ul style="list-style-type: none"> a) The insurance also covers claims arising from damage whose cause is attributable to land and parts of buildings (including related facilities and equipment) in respect of which the <i>policyholder</i> has an exclusive right. b) The insurance does not cover claims: <ul style="list-style-type: none"> • brought by the community of condominium owners as a result of damage to land and parts of the building used in common, including associated facilities and equipment, for the part of the damage that corresponds to the quota share of the <i>insured individual</i> • brought by another co-owner arising from damage whose cause is attributable to land and parts of buildings used in common, including related facilities and equipment, for the part of the loss that corresponds to the quota share of the other co-owners | <p>B3.9.3 Taking into account costs saved</p> <p>If measures that would have been required under construction practice standards (such as surveys of the state of repair of neighboring properties, soil testing, excavation support) were not taken in the realization of the construction project, the part of the indemnity due under liability law that corresponds to the costs saved as a result of the failure to take such measures is not insured.</p> |
| B3.8.3 | Joint ownership | <ul style="list-style-type: none"> a) If land, buildings and premises as defined in B3.8.1 are owned jointly, claims brought against <i>insureds</i> in their capacity as joint owner are also insured. b) The insurance does not cover claims for loss or damage suffered by the joint owner. | <p>B3.10 Land, buildings and premises that are rented, leased or held under a usufructuary lease</p> <p>B3.10.1 Scope of coverage</p> <p>By way of an amendment to B2.16, the insurance covers liability for claims arising from:</p> <ul style="list-style-type: none"> a) damage to land, buildings and premises that are rented, leased or held under a usufructuary lease b) damage to parts of buildings and premises, such as lobbies, staircases and parking areas, that are used in common with other tenants, lessees, leaseholders or with the owner c) damage to heating and hot water supply systems, <i>passenger</i> and freight elevators, escalators as well as air conditioning, ventilation and plumbing facilities as well as built-in kitchen equipment that serve the specified buildings and premises exclusively. |
| B3.9 | Construction owner's liability | <p>If a building or parts thereof are constructed, remodeled or extended, etc., the following applies:</p> | <p>B3.10.2 Loss of keys</p> <p>If keys issued for the buildings and premises specified in B3.10.1 are lost, the costs of the necessary changing or replacement of locks and the corresponding keys are also insured (costs of changing locks). Electronic lock systems and the corresponding badges are deemed to be the same as locks and keys.</p> |
| B3.9.1 | Scope of coverage | <p>The insurance covers claims arising from <i>bodily injury</i> and <i>property damage</i> as a result of demolition, earthmoving, and construction work that are brought against <i>insureds</i> as the party who commissioned the work (construction owner) or against the owner of the real property.</p> | <p>B3.10.3 Exclusions in addition to B2</p> <p>The insurance does not cover claims arising from:</p> <ul style="list-style-type: none"> a) damage to stadiums, concert halls or trade fair and exhibition halls that are rented, leased or held under a usufructuary lease b) damage to residential premises that are rented, leased or held under a usufructuary lease for the purpose of accommodation for employees c) damage that occurs gradually (such as damage due to moisture, wear and tear, damage to wallpaper and paint, and the like) |
| B3.9.2 | Exclusions in addition to B2 | <p>The insurance does not cover claims in connection with a construction project:</p> <ul style="list-style-type: none"> a) whose total cost as defined in the estimate exceeds CHF 1,000,000. Individual properties that form part of the (overall) project or that are to be built in several phases are, taken together, deemed to be a single structure | |

- d) the costs to restore land, buildings or premises to their original state after they were deliberately modified either by or on the instructions of an *insured*
- e) damage to furnishings, machines and apparatuses, even if these are permanently attached to the land, the building or the premises. B3.10.1 c) remains reserved.

B3.10.4 Deductible

In addition to E2.1, the deductible is applied only once for all claims that are brought on termination of the rental, tenancy or leasing agreement, i.e. at the time of the handover of the building and premises to the landlord or lessor.

B3.11 Rented telecommunication systems

B3.11.1 Scope of coverage

In amendment of B2.16, the insurance covers claims arising from damage to rented or leased telecommunication systems and voice-mail servers, and cables belonging directly to these devices, as well as internal switchboards (interior systems).

B3.11.2 Exclusion in addition to B2

The insurance **does not cover** claims arising from damage to mobile phones, pagers, internal communication systems, mobile and stationary PCs, network servers, mainframes, cable networks, software and data.

B3.12 Stored property

B3.12.1 Scope of coverage

In amendment of B2.16, the insurance covers claims arising from the destruction of, damage to or loss of property that an *insured* has accepted for use or processing, provided that the cause of the loss relates to the storage of the property.

B3.12.2 Exclusions in addition to B2

The insurance **does not cover** claims arising from:

- a) loss of or damage to property that an insured has accepted exclusively for storage, safekeeping, forwarding, on consignment or for exhibition purposes, or that the insured has rented, leased or held under a usufructuary lease
- b) loss of or damage to *monetary assets*, documents, deeds and plans
- c) loss of or damage to vehicles of any kind
- d) injury to animals.

B3.13 Property stored in cloakrooms

B3.13.1 Scope of coverage

In amendment of B2.16, the insurance covers claims arising as a result of property that is destroyed, damaged, stolen or lost while stored in a continuously guarded or locked cloakroom.

B3.13.2 Exclusion in addition to B2

The insurance **does not cover** claims arising from loss of or damage to *monetary assets*, documents, deeds and plans.

B3.13.3 Obligation

In addition to E3, in the event of a theft, the *insured* must notify the police immediately upon its discovery and, at the request of AXA, press charges.

B3.14 Keys entrusted to an insured

B3.14.1 Scope of coverage

In amendment of B2.16, the insurance covers claims by *third parties* for the necessary changing or replacement of locks and the corresponding keys (costs of changing locks). This applies in the event of any loss of entrusted keys to land, buildings, premises or facilities in or on which an *insured individual* must carry out work, or which are managed by an *insured*. Such costs are considered *property damage*. Electronic lock systems and the corresponding badges are deemed to be the same as locks and keys.

B3.14.2 Obligation

Insureds must notify the client immediately if keys or badges are lost.

B3.15 Agreements with respect to release from liability

If *insureds* have entered into agreements with respect to liability that are more restrictive than the liability imposed by law, AXA will waive the enforcement of any such agreement if it cannot be enforced by the *insureds* or if they do not wish to enforce this due to reasons of business policy, for example.

Part C

Scope of Insurance – Special Provisions Directors and Officers Liability Insurance

C1 Insured risk, insured activity and insured liability

C1.1 Insured liability

AXA offers coverage for claims for damages brought against *insured individuals* pursuant to statutory liability provisions (or within the scope of a direct claim against AXA as their liability insurer) in their capacity or function as a director or officer of the *insured businesses* (as long as the businesses are legal entities).

The insurance covers the liability of *insured individuals* for *breaches of duty* while exercising or performing functions, tasks, obligations and responsibilities in connection with the foundation/establishment, administration, management, control or liquidation of the *insured businesses*.

C1.2 Internal liability

The insurance covers claims brought by the *insured businesses* against an *insured individual*.

C2 Exclusions for directors and officers liability insurance

C2.1 Professional services

The insurance **does not cover** claims arising from services of the *insured individual* in any capacity other than the capacity of director or officer insured under this contract (arising, for example, from professional services such as those of a financial services provider).

However, this exclusion does not apply to claims brought against *insured individuals* because they failed to supervise employees who performed or should have performed a professional service (carve-back).

C2.2 Criminal acts and other intentional acts

The insurance **does not cover** claims arising from intentional, willfully reckless or criminal *breaches of duty*, deliberate *breaches of duty* or deliberate breaches of legal or official regulations by insured individuals. The advance payment of defense costs in accordance with E1.2.3 is, however, insured.

AXA waives any attribution of knowledge pursuant to A15.

C2.3 Bribery or other unlawful acceptance of payments or benefits

The insurance **does not cover** claims in connection with active or passive bribery or any other form of unlawful acceptance of payments or benefits by an *insured individual*. The advance payment of defense costs in accordance with E1.2.3 is, however, insured.

AXA waives any attribution of knowledge pursuant to A15.

C2.4 Financial payments of a punitive or similar nature

The insurance **does not cover** claims arising from financial payments that are of a punitive or similar nature (such as fines, financial or contractual penalties, bonds, punitive, exemplary or multiple damages, etc.). C3.3 remains reserved.

C2.5 Environmental impairment and asbestos

The insurance **does not cover** claims arising from *environmental impairment* or claims in connection with asbestos.

C2.6 Monetary assets and valuables

The insurance **does not cover** claims arising from cash management shortfalls. The insurance likewise does not cover claims with respect to *monetary assets* or valuables that are destroyed or lost.

C2.7 Virtual currencies

The insurance coverage does not include claims and/or proceedings directly or indirectly connected with the issue of virtual currencies (initial coin offering (ICO)), corporate financing by means of virtual currencies, as well as with virtual currencies that are not stored in a decentralized way and/or are not based on blockchain technology. C2.1 GIC remains reserved.

C3 Extensions of cover for directors and officers liability insurance

C3.1 Waiver of the objection of gross negligence

AXA waives its right under Art. 14 (2) of the Federal Insurance Contracts Act (ICA) to reduce its indemnity if the event was caused by *insureds* through gross negligence.

C3.2 Claims in connection with indirect/direct taxes and social insurance contributions

The insurance covers claims in connection with unpaid direct and indirect taxes (such as value-added tax) and social insurance contributions (such as OASI, OPA) only insofar as an *insured individual* is personally liable for same in the event of the insolvency of an *insured business*.

The insurance **does not cover** claims where the non-payment of such taxes and/or social insurance contributions is based on a deliberate decision made by an *insured individual*.

C3.3 Civil fines and penalties (FCPA and UK Bribery Act)

The insurance covers civil fines and penalties that have been imposed on an *insured individual* based on the legal principles of the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act, provided that these are also insurable under the laws of the competent jurisdiction. Insurance coverage is granted if the claim is based on a final and binding judgment and the *insured individual* cannot be indemnified in any other way under the law, articles of association or contract. Punitive and exemplary damages are excluded.

C3.4 Employment practices claims

The insurance covers claims by former or current employees or applicants of an *insured business* against an *insured individual*. Coverage is granted subject to the condition that the claim is for *financial loss* arising in connection with an alleged or actual *breach of duty* by the *insured individual* under labor law.

For the purposes of this provision, *financial loss* is also deemed to include psychological impairment. Within the scope of this extension of coverage, the insurance also covers claims brought against employees who do not have the capacity of a de facto director or officer.

C3.5 Extension of the insurance to the policyholder or its subsidiaries in the event of indemnification (company reimbursement)

If the *insured individual* has a claim for indemnification through an *insured business*, the right to indemnity under this contract is transferred to the *insured business*, provided that it made the payments owed under this contract.

C3.6 Mandates in internal employee benefit committees
The insurance coverage extends to employees of the insured businesses for claims arising from their capacity and function as a member of an employee benefit committee of a pension plan of the *insured businesses* with a Swiss collective foundation.

C3.7 Mandates in third-party companies (third-party mandates)

C3.7.1 Scope of coverage

If *insured individuals* or employees of an *insured business* are seconded to a third-party company (legal entity) as a director or officer, the insurance also covers claims against these persons seconded for *breaches of duty* in their capacity or function as officer or director of the third-party company (including de facto status as director or officer).

Coverage for third-party mandates does not apply automatically, however, to mandates in the following legal entities:

- companies listed on a stock exchange
- banks, insurance and reinsurance companies or employee benefit plans
- funds and other collective investment schemes in the form of a SICAF, SICAV or limited partnership for collective investment schemes
- companies with registered office in the *USA* or *Canada*
- sports, gaming, betting and lottery companies
- legal entities reporting negative equity capital at the time of acceptance of the mandate

Such third-party mandates as well as other third-party mandates that do not take place on secondment by the *insured company* may be reported to AXA for review. In such case, AXA reserves the right to define the conditions and the premium.

Companies that meet the definition of “insured business” are not considered to be third-party companies within the meaning of this provision.

C3.7.2 Change of mandate holder

If the mandate holder is replaced by another *insured individual* or another employee during the *insurance year*, the insurance coverage automatically extends to the new mandate holder.

C3.7.3 Exclusions

a) Claims of an insured business

The insurance **does not cover** claims of an *insured business* against *insured individuals*.

b) Known circumstances

The insurance **does not cover** claims in connection with circumstances that were or ought to have been known to the *insured business*, a third-party company, an *insured individual* or the seconded employee when the third-party mandate was accepted.

C3.7.4 Other insurance and indemnification

Coverage is provided only for the amounts remaining after payment of indemnity from other insurances (E1.6) and/or compensation based on other possible indemnification of such persons that is available to the third-party company by law, the articles of association or contract. In the latter case, C3.5 will not apply.

C3.8 Psychological counseling

For insured claims, AXA assumes the reasonable costs incurred by the affected *insured individuals* for any necessary psychological counseling for stress management by a recognized psychologist or psychiatrist. These costs will only be assumed by AXA if there is no statutory or other entitlement to benefits (such as through health or accident insurance, indemnification by the employer) available for this purpose. Moreover, coverage will be limited to the costs of treatment for a maximum of two years.

Part D

Scope of Insurance – Special Provisions

Fidelity Insurance

D1 Insured risk

D1.1 First party loss

D1.1.1 Caused by an *insured individual*

a) Loss due to criminal acts and other intentional acts

The insurance covers *financial loss* suffered by an *insured business* due to *criminal acts and other intentional acts* committed by an *insured*. Such loss is also insured if the *insured individual* committed the criminal act or other intentional act jointly with a *third party*.

b) Loss due to the betrayal of trade and business secrets

The insurance also covers *financial loss* suffered by an *insured business* due to the criminal betrayal of trade and business secrets by *insured individuals*. In amendment of D2.4, the insurance also covers the loss of profit of the *insured business* in such cases.

D1.1.2 **Caused by a third party**

a) Loss due to deception

The insurance covers *financial loss* of an *insured business* caused by fraud, forgery or suppression of documents with the intention of unlawful enrichment. This does not include *financial loss* as a result of a *social engineering attack*.

b) Social engineering (human hacking)

The insurance covers *financial loss* suffered by an *insured business* as a result of a *social engineering attack*.

However, the insurance **does not cover** expenses and costs as a result of acts that predated the *social engineering attack* and represent a *cyber event*.

D1.2 Liability claims

D1.2.1 **Caused by an insured individual**

a) Loss due to criminal acts and other intentional acts

The insurance covers *financial loss* suffered by an *insured business* because an *insured individual* directly inflicts a *financial loss* on a *third party* through *criminal acts and other intentional acts* for which the *insured business* is liable.

b) Loss due to the betrayal of trade and business secrets

The insurance also covers *financial loss* in connection with the criminal betrayal of trade and business secrets by an *insured individual* for which an *insured business* is liable. In amendment of D2.4, the insurance also covers the loss of profit suffered by the injured *third party* in such cases.

D1.2.2 **Caused by a third party**

a) Loss due to fraudulent misrepresentation

The insurance covers *financial loss* resulting from fraud, forgery or suppression of documents which gives rise to liability of an *insured business* towards another *third party*.

This does not include *financial loss* as a result of a *social engineering attack*.

b) Social engineering (human hacking)

The insurance covers *financial loss* resulting from a *social engineering attack* which gives rise to liability of an *insured business* towards another *third party*. However, the insurance **does not cover** expenses and costs as a result of acts that predated the *social engineering attack* and represent a *cyber event*.

D1.3 Crisis management

D1.3.1 **Costs of investing loss and pursuing legal action**

In the case of an insured event and by prior agreement, AXA will cover the costs of an external service provider to:

- investigate the origin of the loss
- introduce immediate measures
- identify the party that caused the loss
- determine the amount of the loss
- enforce claims for damages

D1.3.2 **Breaches of data privacy**

In the case of an insured event and by prior agreement, AXA will cover the costs of identifying the persons affected in the event of a breach of data privacy. These costs also include the cost of notifications to the persons affected by the *insured businesses* themselves or by means of a notification service. The costs for communication with the competent authorities are also insured.

If an authority initiates a criminal, supervisory or administrative proceeding as a result of a data breach, AXA will cover the costs incurred by an *insured business* as a result (such as attorney fees, court costs, investigation costs and fees for expert opinions) as well as the costs awarded against an *insured business* in the proceeding. AXA may refuse to cover costs if taking legal action is unlikely to be successful.

D1.3.3 **Crisis counseling**

In the case of an insured event and by prior agreement, AXA will cover the costs of advising the *policyholder* with respect to preventing other loss events of a similar kind.

D1.4 Abuse of corporate identity

In the case of an insured event and by prior agreement, AXA pays the costs

- to correct entries and/or make re-entries in official registers
- to defend against claims, complaints or proceedings brought against the *insured business* under civil or criminal law

resulting from a fraudulent change or illegal use of the corporate identity of an *insured business*.

D2 Fidelity insurance exclusions

D2.1 Financial interests

The insurance **does not cover** *financial loss* caused by an *insured individual* who has a direct or indirect financial interest of more than 30% in an *insured business*.

D2.2 Repeat offenders

The insurance **does not cover** *criminal acts and other intentional acts* committed by an *insured individual* who has already caused a loss due to abuse of trust, if a person tasked with the management or supervision of an *insured business* was aware of this circumstance. This also applies if the first loss due to abuse of trust was caused prior to the start of the contract at the *insured business* or at a previous employer.

D2.3 Financial payments of a punitive or similar nature

The insurance **does not cover** financial payments that are of a punitive or similar nature (such as fines, finan-

cial or contractual penalties, bonds, punitive, exemplary or multiple damages, etc.).

D2.4 Indirect financial loss

The insurance **does not cover** *financial loss* caused indirectly (such as loss of profit, business interruption, loss arising due to an infringement of intellectual property rights, reputation damage) unless such loss is expressly included in the coverage on the basis of the policy or these GIC.

D2.5 Warlike, terrorist and other special events

The insurance **does not cover** *financial loss* in connection with warlike events, neutrality violations, terrorism, revolution, rebellion, uprising, civil unrest and the measures taken to counter such events, or in connection with strikes, kidnapping, extortion and ransom demands, or in the event of labor law claims.

The insurance only provides cover if the *insured business* proves that the loss is in no way related to such an event.

D2.6 Bodily injury and property damage

The insurance **does not cover** *bodily injury or property damage* unless such injury or damage is expressly included in the insurance on the basis of the policy or these GIC.

D2.7 Virtual currencies

The insurance **does not cover** *financial loss* in connection with virtual currencies as defined in F6.2.

D2.8 Cyber events

The insurance **does not cover** *financial loss* in connection with *cyber events* as defined in F1.

D2.9 Illicit commerce

The insurance **does not cover** *financial loss* that is attributable to external influences such as fluctuations in value, price losses and/or poor returns or aleatory transactions, unless such a transaction results in unlawful enrichment for the benefit of the *insured individual* or a *third party* that this *insured individual* intended to enrich. Salaries, fees, commissions, remuneration, bonuses, profit sharing and other payments including salary increases and promotion bonuses are not deemed to constitute unlawful enrichment hereunder.

D2.10 Unlawful or immoral business purpose

The insurance **does not cover** *financial loss* if the business purpose pursued proves to be unlawful or immoral, particularly any such business purpose that is in connection with any form of investment fraud (such as a snow-ball system).

Part E

Claims

E1 Indemnity

E1.1 Compensation for first party loss

Fidelity insurance:

AXA will pay, within the scope of the insurance, the *financial loss* suffered by the *insured business* as well as insured costs that the business incurs due to this loss.

E1.2 Compensation for liability claims

E1.2.1 Compensation for justified claims

AXA will pay the amount that the *insured*, or AXA as their liability insurer, is required to pay the injured party as compensation within the scope of the insurance and the statutory liability provisions. AXA may pay compensation directly to the injured party.

AXA will also assume the other insured costs within the scope of the sum insured.

E1.2.2 Defense against unjustified claims

In the case of an insured event, AXA will cover the costs of defending against unjustified or excessive claims for damages that are brought against *insureds* or against AXA as their liability insurer.

E1.2.3 Provisional assumption of the costs of defending against claims

Professional liability and directors and officers liability insurance:

AXA will make an interim advance for the costs of defending against claims

- relating to alleged intentional commission of felonies or misdemeanors by *insureds* (B2.10, C2.2)
- arising from loss or damage allegedly caused by *insureds* with intent or willful recklessness (B2.10, C2.2)
- intentional breaches of statutory provisions and official regulations ((B2.10, C2.2)
- *breaches of duty* committed deliberately (B2.10, C2.2)
- active or passive bribery or other unlawful acceptance of payments or benefits (C2.3)

until such time as the *breaches of duty* referred to above

- are determined by a final and binding court decision, or in a judicial, administrative or arbitration proceeding, or by means of a settlement, or
- are acknowledged by an *insured*.

In the event of such a determination or acknowledgment, the insurance coverage granted provisionally will cease to apply with retroactive effect. AXA must be reimbursed for all costs expended up to that point.

E1.3 Indemnity limit

E1.3.1 Scope of indemnity

Indemnity from AXA is limited, for all

- liability claims against *insureds* and/or AXA as their liability insurer (all modules)
- first party loss (fidelity loss module)
- other indemnity payments (such as coverage of costs) by the sum insured specified in the policy. This includes interest on claims, recourse interest, loss mitigation costs, costs of expert opinions, attorney fees, court costs, costs of arbitration and mediation, loss prevention costs and any other costs (such as opposing party legal expenses).

A sublimit (limited amount within the sum insured) that is set out in the policy or these GIC may apply for individual risks included in the insurance.

If the claims, first party loss and costs (including the claims, first party loss and costs in connection with risks to which sublimits apply) per event or *serial loss* exceed the sum insured specified in the policy, the maximum indemnity payable by AXA will be limited to amount of the sum insured (maximum compensation). The sum insured or sublimit is reduced by the agreed deductible in each case.

E1.3.2 Single aggregate

The sum insured or sublimit constitutes a single aggregate per *insurance year*. It is paid out no more than one time for all claims, first party loss and costs which are claimed in the same *insurance year*.

Unless otherwise agreed, the maximum limit under the policy as shown in the policy applies across all modules concluded as a total.

E1.4 Legal protection in criminal, supervisory or administrative proceedings (including costs of investigation) for insured individuals

Professional liability and directors and officers liability insurance:

E1.4.1 Legal protection in criminal proceedings

If a criminal investigation or court proceeding is initiated against an *insured individual* due to a *breach of duty* relating to their professional activity or an insured role of officer or director that could result in an insured liability claim, AXA will cover the expenses that arise in connection with the defense.

E1.4.2 Legal protection in supervisory or administrative proceedings

If

- a supervisory or administrative proceeding or
- a proceeding before a professional or trade organization is initiated in Switzerland or in the Principality of Liechtenstein against an *insured individual* due to a *breach of duty* relating to their professional activity or an insured role of officer or director that could result in an insured liability claim, AXA will cover the expenses arising in connection with representation of the *insured individual*.

E1.4.3 Other necessary and reasonable costs (such as travel expenses)

AXA also covers any other necessary and reasonable costs (such as travel expenses) incurred by the *insured*, unless the insured is otherwise indemnified for these costs. The insurance **does not cover** any costs owed on the basis of an employment relationship, such as salaries and other compensation.

E1.4.4 Fines and penalties

The insurance **does not cover** obligations of a penal or similar nature such as fines, financial or contractual penalties, punitive or exemplary damages, as well as any other consequences arising from decisions in criminal, supervisory or administrative proceedings (such as a loss of earnings); the insured liability remains reserved.

| | | |
|--|---|--|
| E.1.4.5 | <p>Waiver of right of recovery of payments made In partial amendment of B2.10 and C2.2, AXA will, in the event of discipline or a conviction of the <i>insured individual</i>, waive its right to recover payments made pursuant to legal protection coverage in criminal, supervisory or administrative proceedings, except if the discipline or conviction is imposed due to an intentional, willfully reckless or deliberately committed <i>breach of duty</i>.</p> | <ul style="list-style-type: none"> – brought against an industrial sector as a whole – conducted as part of a routine or regular review • the <i>insured individual</i> is not entitled by law, articles of association or contract to indemnification by an <i>insured business</i> (in partial amendment of C3.5) |
| | <p>Directors and officers liability insurance: Within the scope of the above provisions, insurance coverage for <i>insured individuals</i> also extends to:</p> | <hr/> <p>E1.5 Additional limit for defense costs If the sum insured is fully exhausted by a loss event in one <i>insurance year</i>, AXA will cover the defense costs for a further loss event in the same <i>insurance year</i>, up to the additional limit specified in the policy. This only applies, however, if these loss events are independent of one another and do not form part of a <i>serial loss</i>. Defense costs are, in any case, only granted subsequent to any excess agreements to this contract and/or all available indemnity under other contracts.</p> |
| E1.4.6 | <p>Seizure and freezing of assets (including living expenses/deposit costs) If the assets of an <i>insured</i> are seized or frozen in an insured proceeding, such as a proceeding for attachment, AXA also covers the reasonable costs of defending against such an order. Any security that is required to be provided is excluded from this. If the <i>insured</i> is no longer able to maintain the standard of living to which he or she is accustomed as a result of the seizure or freezing of assets, AXA will advance the costs reasonable and necessary for this for a maximum period of six months from the effective date of the relevant court order, subject to the recovery of such costs.</p> | <hr/> <p>E1.6 Other insurance E1.6.1 Subsidiarity If the claim filed is also covered in whole or in part by another insurance contract, the other contract will take precedence over this contract. The sum insured, subject to the conditions of this insurance, is available only for any amounts remaining after exhaustion of the indemnity that has been or will be paid by the other insurance. Insurance contracts that were expressly agreed as excess contracts for this policy are excepted from this provision.</p> |
| E.1.4.7 | <p>Extradition costs The insurance cover also extends to the costs of defending requests for the extradition of <i>insured individuals</i>. A request for extradition is defined as any formal request, demand, arrest warrant or other administrative act that is based on the applicable national extradition law. AXA also covers reasonable and necessary travel expenses directly related to the request for extradition of spouses, registered partners, cohabiting partners living in the same household and minor children of the <i>insured</i> concerned, subject to written approval in advance.</p> | <p>E1.6.2 Advance payment in the event of multiple insurance If the other insurer disputes its obligation to indemnify entirely, AXA will cover the costs of defense against unjustified or excessive claims until its definitive assessment of coverage. <i>Insureds</i> are required to cooperate with AXA so that AXA can make a definitive assessment of what is covered. If it later becomes clear that the claim is not covered under this contract, <i>insureds</i> are required to reimburse AXA for the internal and external costs assumed by AXA on a provisional basis.</p> |
| E1.4.8 | <p>Costs of defense for proceedings relating to a ban on activities The insurance cover also extends to the costs of defense in the event that a proceeding is initiated against an <i>insured individual</i> before an authority or a court for a temporary or permanent ban on exercising the insured office or the insured function.</p> | <hr/> <p>E1.7 Emergency costs If, in an emergency, it can be demonstrated that prior written consent from AXA to cover the costs of defending against a claim could not reasonably be obtained, AXA will provide its consent to cover such costs retroactively. <i>Insureds</i> must, however, inform AXA immediately and delegate all further handling of the claim to AXA.</p> |
| E1.4.9 | <p>Investigation proceedings against insured businesses If an <i>insured individual</i> is questioned as a witness or as a person providing information during a criminal, supervisory or administrative investigation proceeding against an <i>insured business</i>, AXA will cover their costs (including travel expenses), the cost of an attorney engaged to advise or represent them, as well as the costs of proceedings and court fees imposed on them, provided that the following cumulative conditions are met:</p> <ul style="list-style-type: none"> • the first order requiring the <i>insured individual</i> to cooperate in an investigation proceeding is issued during the <i>policy period</i> and AXA is notified of it as soon as possible • the obligation of the <i>insured</i> to cooperate arises from his or her activity as a member of an executive board or a board of directors (or a similar function abroad) and must be in connection with a potential <i>breach of duty</i> that could result in an insured claim • the investigation proceeding must not be one that is <ul style="list-style-type: none"> – conducted entirely or in part in the <i>USA</i> or in accordance with its laws. This also includes proceedings before the United States Securities Exchange Commission (SEC) | <hr/> <p>E1.8 Threat of claim If <i>insureds</i>, or AXA as their liability insurer, are faced with the serious threat of an insured liability claim, AXA will also take over preparations to defend against the claim if this is reasonable and appropriate.</p> |
| <hr/> <p>E1.9 Internal costs of claims settlement AXA's internal costs for the settlement of claims are neither deducted from the sum insured nor are they taken into account when determining the deductible. Internal costs are deemed to be exclusively the costs to be incurred by AXA for its employees.</p> | <hr/> <p>E1.10 Condition for obligation to indemnify Fidelity insurance: In order to receive compensation, the <i>insured business</i> must prove the reason for and the amount of the liability for damages of an <i>offender</i> identified by name. If the <i>insured business</i> cannot identify the <i>offender</i> AXA will nevertheless pay the compensation</p> | |

- if the criminal proceeding was discontinued or the *offender* was acquitted because it was not possible to prove intent on his or her part and
- if the loss that occurred is in all probability an insured loss.

As a further condition for an obligation to indemnify, the *insured business* may be instructed by AXA:

- to request that a criminal proceeding be brought against an *offender* who is identified by name or is unknown
- to file a claim for damages against the parties responsible for the loss and grant a power of attorney to the lawyers designated by AXA for this purpose.

E2 Deductible

E2.1 Per event

Insureds must pay the deductible specified in the policy for each loss event. A special deductible may be set out in the policy for individual risks.

For legal protection in criminal, supervisory and administrative proceedings (E1.4), the *insureds* are responsible for payment of the agreed deductible for *financial loss* per event.

The deductible also applies to costs, such as for defending against unjustified claims. This applies regardless of whether the claims are brought against *insureds* and/or against AXA as their liability insurer.

E2.2 In the event of multiple coverages

If multiple coverages with identical deductibles are triggered for the same loss event, *insureds* will be required to pay the deductible only once.

If deductibles with different amounts were agreed for these coverages, the *insureds* will pay at most the highest agreed deductible per insured module.

E2.3 Reimbursement

The deductible is charged to the *insureds* in advance. If AXA indemnifies the injured party without first subtracting the deductible, the *insureds* must reimburse AXA for the amount of the deductible, waiving any objections. The same applies if AXA pays the costs of engaging *third parties* (such as experts, lawyers or courts) directly.

E2.4 Statutory requirements

If the law prescribes a lower deductible than the deductible specified in the policy, the statutory deductible will apply in relation to the injured party for any loss or damage.

E3 Notice of claim and duty to provide information

E3.1 Notice of claim

If an event occurs that is likely to affect the insurance, the *insureds* must notify AXA as quickly as possible.

This duty to provide notice applies even if police, criminal, supervisory or administrative proceedings are initiated against *insureds* as a result of such an event.

If an injured party contacts AXA directly, AXA will so inform the *insured business* affected.

If *insureds* become aware of circumstances that could lead to an insured claim during the *policy period*, they can notify AXA of these circumstances in writing until the end of the *insurance year* (or end of the agreed extended

coverage period). It is a prerequisite for insurance coverage that the notification contain at least the following information:

- a description of the circumstances that indicate that a claim may be made at a later date
- information about the nature and amount of the potential claim
- time, place, type and discovery of the *breach of duty*
- information on the *insureds* affected and the potential injured parties.

E3.2 Duty to provide information in the event of a claim

The *insureds* must at all times provide AXA with all information relating to the loss event as quickly as possible and at their own expense. This includes correspondence, data, documents, evidence, official and court documents such as summonses, rulings, notifications, judgments, etc. AXA must be allowed to inspect the books and supporting documents on request. In addition, the *insureds* must forward to AXA any further information about the claim without being asked to do so. This also applies for any steps taken by the injured party.

E4 Claims handling

E4.1 Responsibility for claims handling

AXA will handle claims if the claims or insured first party loss exceed the deductible and the sum insured has not yet been exhausted. AXA has the right to handle claims even if the claims do not exceed the deductible.

E4.2 Claims handling for first party loss

Fidelity insurance:

AXA will verify whether the claim involves an insured *financial loss*. For this purpose, the *insured business* must assist AXA with investigating the origin of the loss and must provide proof of the *financial loss*. Merely comparing the target financial situation of a business with its current financial situation or presenting statistically derived data is not deemed to be proof of a *financial loss*. The insurance provides cover pursuant to D1.3.1 for the costs of a *third party* to investigate loss and pursue legal action.

E4.3 Claims handling for liability claims

AXA conducts negotiations with the injured party at its own expense. AXA thus acts as representative of the *insureds*. The manner in which AXA settles the claims of the injured party is binding on the *insureds*.

AXA has the right to refrain from handling claims itself. In this case, AXA will advise the affected *insured* in writing that the *insured* may appoint a lawyer in agreement with AXA. The other duties and obligations in the event of a claim continue to apply without change.

E4.3.1 Obligations of the insureds

The *insureds* must assist AXA in handling claims at their own expense. This applies, in particular, to establishing the facts and the loss, as well as to defending against claims. The duty to provide assistance also applies in the event of litigation and if the claims are brought against AXA as their liability insurer.

E4.3.2 Litigation

If no understanding can be reached with the injured party and if this party takes legal action, the following applies:

E.4.3.2.1 Lawsuit against insureds

AXA, in consultation with the *insureds*, appoints the trial lawyer, determines the trial strategy, the outcome of the

proceeding (acknowledgment, settlement or judgment) and all other procedural steps. In this respect, it represents the *insureds*. AXA covers the litigation expenses and attorney fees incurred by the *insureds*. It is entitled to enter into a fee agreement with the trial lawyer. AXA is entitled to any legal expenses awarded to the *insureds*. *Insureds* may, however, retain any compensation awarded for their personal efforts.

E4.3.2.2 **Lawsuit against AXA**

AXA appoints the trial lawyer, determines the trial strategy, the outcome of the proceeding (acknowledgment, settlement or judgment) and all other procedural steps. As part of the insured indemnity, AXA covers the litigation expenses and attorney fees incurred. AXA keeps the *insureds* informed about the proceeding.

E4.3.2.3 **Lawsuit against insureds and against AXA**

AXA will appoint, if possible and after consulting with the *insureds*, a trial lawyer to jointly represent the *insureds* and AXA. E4.3.2.1 and E4.3.2.2 apply in all other respects.

E4.3.3 **Arbitration proceedings**

The settlement of insured claims in a proceeding before an arbitration tribunal has no impact on the insurance coverage as long as it complies with the rules of the Swiss Civil Procedure Code and the Federal Act on International Private Law.

E4.4 Claims handling in legal protection in criminal, supervisory and administrative proceedings

E4.4.1 **Representation of the insured**

With the agreement of the *insured individual*, AXA will appoint an attorney to represent them. This choice of lawyer does not affect the right of AXA to appoint another lawyer in a civil proceeding. The *insured individual* is not authorized to retain an attorney without the approval of AXA.

E4.4.2 **Appeal and further appeal of a decision**

If a fine and/or a decision by a court of first or second instance is appealed, AXA may refuse to pay indemnity if it considers the appeal unlikely to succeed.

If the *insured individual* continues the proceeding at their own risk and is successful, such as if the proceeding is discontinued, they will be entitled to reimbursement from AXA for the attorney fees and the costs of the proceeding incurred. The mere reduction of the (disciplinary) measure of the lower court is not deemed to be a successful outcome. In this case, AXA will be entitled to reimbursement of for attorney fees and disbursements awarded to the *insured*. Any compensation awarded to the *insured* for their personal efforts may be retained by the insured.

E4.5 Notices and statements

In the event of a claim, AXA has the right to deliver notices and statements with legally valid effect for all *insureds*, exclusively to the most recent address of the *policyholder* or the *insured individuals*.

E5 Contractual fidelity

Insureds are required to maintain contractual fidelity. They may not, without the consent of AXA, conduct any direct negotiations with the *offender* or the injured party, acknowledge any liability or claims, enter into any settlement or pay any compensation. They may not assign coverage claims without consent from AXA and may not release *third parties* from liability.

E6 Recourse to insureds

AXA has a right of recourse against the *insureds*, provided that it would be entitled, pursuant to the provisions of the insurance contract or the Federal Act on Insurance Contracts (ICA), to refuse or reduce its indemnity.

E7 Reputation costs (crisis communication)

If the public standing or good reputation of the *insured* is demonstrably compromised because of an insured claim, AXA will pay the costs of restoring their standing and good reputation. The costs of restoring standing and good reputation include all necessary and reasonable expenditure by an independent PR expert approved in advance by AXA in writing.

E8 Limitation period under this insurance contract

Claims arising from the insurance contract become time-barred five years following the occurrence of the event on which AXA's obligation to indemnify is based.

E9 Right of recourse

Claims to which the *insured business* is entitled against the persons or *third parties* responsible for the insured loss are assigned to AXA to the extent of the compensation it has paid. AXA may request a written declaration of assignment from the *insured business*. The *insured business* is liable to AXA for any curtailment of its rights of recourse.

Part F

Definitions

F1 Cyber event

A cyber event is defined as an intentional attack by:

- F1.1** *third parties* or by insured individuals the *IT system* of an *insured business* or on cloud computing systems used by the *insured business* (first party loss).
- F1.2** *third parties* on the *IT system* of an *insured business* causing damage to *IT systems* or *electronic data* of other *third parties* (liability claim).
- F1.3** *insured individuals* on the *IT system* of a *third party* if the *IT system* of the *insured business* is abused (liability claim).

A cyber liability event must be caused by *malware*, a hacker attack or a *denial-of-service* attack via networks or via digital data carriers.

F2 Denial of service (DoS)

Denial of service is the non-availability of a service as a result of an overloading of infrastructure systems, for example. This denial of service must have been caused by an intentional attack on an *IT system*.

F3 Third parties

Third parties are deemed to be all parties who are not *insureds*.

F4 Electronic data

Electronic data is information stored on data carriers such as operating systems, programs and user data. Electronic data is not considered to be property.

F5 Financial services

Financial services are deemed to be services falling within the scope of the Financial Institutions Act (FinIA), Financial Services Act (FinSA) or the Collective Investment Schemes Act (CISA) and provided to the extent allowed by law as a licensed or registered:

- financial services provider (FinSA)
- trustee (FinIA)
- asset manager (FinIA)
- representatives of foreign collective investment schemes (CISA)
- managers of collective assets (FinIA)

The insured financial services are set out in the policy.

F6 Monetary assets

F6.1 Cash, credit and debit cards of all types, plastic money such as cash cards, tax cards, etc., checks and other means of payment, vouchers, subscriptions of all types, tickets and securities;

F6.2 Virtual currencies such as Bitcoin.

F7 Hacker attacks

Hacker attacks are deliberate changes to programs and data made with the intention of causing damage. In an attack of this kind, hackers obtain unauthorized access via networks, specifically the internet. Changes to programs and data by *malware* are not classified as hacker attacks.

F8 IT system

An IT system includes computer hardware and networks (including software) of any kind which process and store data: server systems, storage systems, personal computers, laptops, tablet computers, smartphones, remote data transmission devices, etc. Computer controls for technical devices as well as machinery and equipment that are integrated into networks are likewise considered to be IT systems.

F9 Bodily injury

Bodily injury is deemed to be death, physical injury or other damage to the health of individuals (including the resulting pecuniary loss, loss of earnings and claims for satisfaction).

F10 Breach of duty

Professional liability insurance:

A *breach of duty* is considered to be any alleged or actual act or omission by an *insured* in the performance of a *financial service* that gives rise to legal liability towards *third parties*.

Directors and officers liability insurance:

A *breach of duty* is considered to be any alleged or actual act or omission by an *insured* which results in legal liability in the capacity or function as officer or director of an *insured business* or a *third party*.

F11 Property damage

Property damage is considered to mean the destruction, damage to or loss of movable and immovable property (including any pecuniary loss and loss of earnings incurred by the injured party as a result).

The killing of, injury, any other damage to the health and loss of animals is considered to be the same as property damage.

The impairment of a property's functions, without any impairment of the property's physical substance, is not deemed to constitute property damage.

F12 Malware

Malware, evilware and junkware are terms used to describe computer programs developed in order to perform undesired and damaging functions. Malware is therefore a generic term that includes computer viruses, computer worms, Trojan horses, ransomware, etc. Incorrectly programmed software which can cause damage is not regarded as malware.

F13 Serial loss

Professional liability and directors and officers liability insurance:

The total of all claims arising from all losses and loss prevention measures with the same cause, as well as the consequences of several acts or omissions in the same matter, are considered to be one event. This is referred to as a serial loss. The number of injured parties, claimants or persons entitled to claim is irrelevant.

The cause will be deemed to be the same if several losses are attributable to the same act or omission (violations of a duty of care or mistakes, for example).

The matter will be deemed to be the same if several related situations occur that comprise a single event which, in the context, can only be construed as having an intrinsic causal relationship.

Fidelity insurance:

Several acts by the same person and acts in which several persons are jointly involved are deemed to constitute a single loss event. The number of injured parties, claimants or persons entitled to claim is irrelevant.

F14 Social engineering

Social engineering occurs when a *third party* makes personal contact with a person of trust (by telephone or electronically, for example) in order to exploit, under false pretenses, their willingness to help, good faith or uncertainty, and to induce them to disclose confidential data such as user names or passwords orally or in writing to the *third party*, or to perform certain actions (such as a transfer of *monetary assets* or making delivery of goods).

F15 Criminal acts and other intentional acts

Criminal acts are defined as acts such as:

- misappropriation
- fraud
- theft of monetary assets, data and property.

This list is not conclusive.

Other intentional illegal acts that result in an obligation to pay damages pursuant to legal provisions governing unlawful acts are deemed to be criminal acts.

F16 Offenders

An offender is defined as anyone who commits a *criminal act or other intentional act* pursuant to D1.1 and D1.2. Such acts may be committed either alone, jointly, indirectly, or as a participant (through incitement or aiding and abetting).

F17 Subsidiary

A *subsidiary* is defined as a legal entity in which the policyholder, in terms of voting rights, directly or indirectly

- a) owns a share of more than 50 %, or
- b) owns a share of 20–50 % and also appoints the majority of members of the management or administrative body, provided that
- c) they are domiciled in Switzerland or the Principality of Liechtenstein
- d) they are not special purpose vehicles, investment funds and/or collective investment schemes in the form of a SICAV, limited partnership for collective investment schemes or SICAF.

Subsidiaries are also deemed to include charitable Swiss and Liechtenstein foundations in which the majority of the members of the board of trustees is appointed by the *policyholder* and which is financed to a significant extent by the *policyholder*. Employee benefit plans are not included in this definition.

F18 Environmental impairment

Environmental impairment is deemed to be any long-term disturbance of the state of air, water, groundwater, soil, flora and fauna caused by any influence, as well as any situation defined by applicable law as environmental impairment.

F19 USA/Canada

USA and Canada include all states, federal territories and provinces belonging to the United States of America or Canada, as well as all other territories that fall under the jurisdiction of these countries.

F20 Financial loss

Financial loss is loss measurable in monetary terms that is unrelated to any *bodily injury* or *property damage* suffered by the injured party.

Financial loss also includes damage to and defects in software or damage to and defects in data processed by computers, as well as their consequential damage or loss. This applies if the consequential damage or loss does not involve *bodily injury* as defined in F9.

Fidelity insurance:

Costs of crisis management and the theft of *monetary assets*, data and property are also equivalent to financial loss.

F21 Insureds

The definition of insureds includes:

- the *policyholder*
- the *subsidiaries* of the *policyholder*
- any other “co-insured businesses” specified in the policy
- the *insured individuals*

F22 Insured businesses

The definition of insured businesses includes:

- the *policyholder*;
- the *subsidiaries* of the *policyholder*
- any other “co-insured businesses” specified in the policy

with all locations (plants, branch offices, warehouses, etc.) in Switzerland and the Principality of Liechtenstein.

The insurance does not cover the locations outside these two countries.

F23 Insured individuals

F23.1 Representatives of the policyholder

The representatives of an *insured business* and the persons entrusted with managing or supervising an *insured business* are deemed to be insured individuals in respect of their activities for the *insured business*.

F23.2 Employees

The employees of an *insured business* are deemed to be insured individuals in connection with their activities for the *insured business*. Persons pursuant to B1.3 are not included in this definition.

F23.3 Auxiliaries

The other auxiliaries of an *insured business* are deemed to be insured individuals in connection with their activities for the *insured business*. Persons pursuant to B1.3 are not included in this definition.

F23.4 Persons loaned or hired

Current and former staff loaned or hired out by an *insured business* who work or have worked for the *insured business* are deemed to be insured individuals (lease of labor or services).

Persons loaned or hired out by an *insured business* to a third party pursuant to F3 are not insured individuals (lease of labor or services) within the scope of their activities for the third party.

F24 Policyholders

Policyholders are deemed to mean any natural person or legal entity, partnership, corporation or institution specified in the policy as “policyholder.”

If the policyholder is a partnership or community of joint owners, the members of the partnership or the community of joint owners will be treated in the same manner as the policyholder with respect to rights and obligations.

F25 Insurance year

The insurance year is defined as the period for which the annual premium is calculated. It begins on the day on which the annual premium is due and ends on the day before the annual premium for the next insurance year is due.

F26 Policy period

The policy period is deemed to be

- the contract term of this policy
- the term of any contracts with AXA replaced by this policy
- any extended coverage period granted by AXA.



Need to file a claim?

It's easy and fast – report your claim online at:

[AXA.ch/report-claim](https://www.axa.ch/report-claim)

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General-Guisan-Strasse 40
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[AXA.ch](https://www.axa.ch)
[myAXA.ch](https://myaxa.ch) (customer portal)