

Kidnap/Ransom and Extortion Policy

In consideration of payment of the premium and realisation and subject to the terms of this policy, the Company and the Insured agree as follows:

Coverage

- The **Company** will provide insurance cover as set out in those of Insuring Clauses 1, 2, 3 and 4 for which Limits of Liability are stated in Item 2 of the Schedule and, where Benefit Amounts are stated in Items 3 (i) and (v) of the Schedule, will provide insurance cover as set out in Insuring Clause 5.

Insuring Clauses

2. Kidnapping and Extortion Insuring Clause 1

The **Company** shall reimburse the **Principal Organisation** for money or property surrendered as ransom by an **Insured Organisation** as a result of a **Kidnapping, Extortion or Cyber Extortion** which commences during the **Policy Period**.

3. Lost Ransom Insuring Clause 2

The **Company** shall reimburse the **Principal Organisation** for money or property which is intended as ransom in respect of a **Kidnapping, Extortion or Cyber Extortion** which commences during the **Policy Period** and which money or property is destroyed, disappears, is confiscated or is criminally taken while in the custody of a person authorised by an **Insured Organisation**.

4. Expenses Insuring Clause 3

The **Company** shall reimburse the **Principal Organisation** for **Expenses** paid by an **Insured Organisation** resulting directly from a **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion or Political Threat** which commences during the **Policy Period**.

5. Legal Liability Insuring Clause 4

The **Company** shall pay, on behalf of each **Insured Organisation, Legal Liability Loss**.

6. Bodily Injury Insuring Clause 5

The **Company** shall, for a **Bodily Injury** resulting directly from, and sustained during, a **Kidnapping, Hijacking, or Wrongful Detention** which commences during the **Policy Period**, pay the relevant Benefit Amount for the **Bodily Injury**.

Definitions Not Specific to Bodily Injury

- When used in bold type in this policy:

Claim means:

- any written demand for monetary damages or non-pecuniary relief;
 - any civil proceeding; or
 - any arbitration, mediation or alternative dispute resolution proceeding; made against an **Insured Organization** by an **Insured Person**, including any appeal there from, alleging negligence or incompetence;
- in the hostage retrieval operations or negotiations relating to a **Kidnapping, Hijacking, or Wrongful Detention** of, or **Extortion** (as described in subparagraph (a) of the definition of **Extortion**) relating to, that **Insured Person**; or
 - in failing to prevent a **Kidnapping, Hijacking or Wrongful Detention** of, or **Extortion** (as described in subparagraph (a) of the definition of **Extortion**) relating to, that **Insured Person**, where that **Kidnapping, Hijacking, Wrongful Detention or Extortion** commences during the **Policy Period**.

Computer System means a computer or network with its input, output, processing, storage and communication facilities.

Cyber Extortion means a threat made solely and directly against an **Insured Organisation** by a person or group to:

- alter, damage, destroy or render unusable any **Data** owned by that **Insured Organisation** or for which that **Insured Organisation** is legally liable; or
- disseminate, divulge or utilise a **Record**;

by the unauthorised input into a **Computer System** of **Instructions**, where:

- that person or group has obtained, or claims to have obtained, unauthorised access to that **Computer System** and is demanding payment in exchange for the mitigation or removal of such threat; and
- the **Insured Organisation** has, prior to surrender of money or property as ransom as a result of such threat or, if earlier, prior to destruction, disappearance, confiscation or criminal taking money or property intended as ransom in respect of such threat, conducted a reasonable investigation and reasonably determined that such threat is technologically credible.

All such threats:

- related by a common committed, attempted or threatened act; or
- made contemporaneously against the same **Insured Organisation** or involving the same **Data, Record or Instructions**; or
- made by the same person or group,

shall be deemed to be a single **Cyber Extortion** commencing at the time of the first such threat.

Data means information, concepts or instructions processed and stored in a **Computer System**.

Defence Costs means that part of **Legal Liability Loss** consisting of reasonable costs, charges and fees (including but not limited to legal counsels' and experts' fees) incurred in defending or investigating a **Claim** (other than internal corporate expenses of an **Insured Organisation**); **Defence Costs** shall also include the reasonable premium (not including collateral) for a bond or other financial instruments which are required in order to institute an appeal but without any obligation to furnish or procure such instruments or bonds.

Employee means any natural person in the regular service (whether permanent, temporary, full-time, part-time or seasonal) of an **Insured Organisation** during the **Policy Period** whom such **Insured Organisation** compensates by salary, wages or commissions or who is an unpaid volunteer and whom such **Insured Organisation** has the right to govern in the performance of such service. **Employee** also includes a natural person who is an **Executive**, but such person shall only be an **Employee** at such times when that person is performing acts within the scope of the usual duties of an **Employee**.

Employee does not include any person, other than an unpaid volunteer, who is not on an **Insured Organization's** payroll.

Excluded Country means a country which is stated in Item 6 of the Schedule and which is not declared in writing by the **Principal Organisation** in its proposal for this insurance as a country which an **Insured Person** might travel to during the **Policy Period**.

Executive means any natural person who is:

- a duly elected officer or appointed member of the board of directors, board of trustees or equivalent governing board of an **Insured Organisation**; or
- an in-house general counsel of an **Insured Organisation**.

Executive also includes a partner in an **Insured Organisation**, but such person shall only be an **Executive** at such times when that person is engaged in the regular service of such **Insured Organisation**.

Executive does not include external auditors of an **Insured Organisation** and does not include any liquidator, receiver, administrator, supervisor or other insolvency office-holder of an **Insured Organisation** or of an **Insured Organisation's** assets.

Expenses means:

- the reasonable cost of any of the following incurred in connection with a **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion, or Political Threat** (but excluding the cost of (v), (vi) and (vii) of the following where incurred solely in connection with **Cyber Extortion**):
 - a negotiator or consultant who is independent of the **Insured's**;
 - a public relations consultant who is independent of the **Insured's**;
 - travel and accommodation of an **Insured Person**;
 - legal advice (other than **Defence Costs**) from a person who is independent of the **Insured's**;
 - security guard services for up to fifteen days from a person who is independent of the **Insured's** (provided that, with respect to such services incurred in connection with any **Political Threat**, the **Insured Organisation** shall bear uninsured and at its own risk 25% of the cost of such services, and the **Company** shall only be liable for the remaining 75% of the cost of such services);
 - advertising, communications and recording equipment;
 - a forensic analyst who is independent of the **Insured's**;
 - assessment of the **Extortion or Political Threat** by a security consultant who is independent of the **Insured's**;
 - assessment of the **Cyber Extortion** by a computer network security consultant who is independent of the **Insured's**;
 - interest on a loan taken out by an **Insured Organisation** to obtain money or property to be surrendered as ransom as a result of the **Kidnapping, Extortion or Cyber Extortion**;
 - a reward paid by an **Insured Organisation** to a natural person who provides information not otherwise available leading to the arrest and conviction of any person responsible for the **Kidnapping, Hijacking, Wrongful Detention, Extortion or Cyber Extortion**;
 - the salary, wages, bonuses, commissions, health benefits, welfare benefits and pension benefits which an **Insured Organisation** continues to pay an **Employee** from the time the **Kidnapping, Hijacking or Wrongful Detention** of that **Employee** starts until expiry of thirty days after that **Employee** is released or suffers **Loss of Life** or, if earlier, expiry of sixty months after the **Kidnapping, Hijacking or Wrongful Detention** began (but only to the extent of the rate of salary etc. that that **Employee** was entitled to at the start of the **Kidnapping, Hijacking or Wrongful Detention**);
- the salary, wages, bonuses, commissions, health benefits, welfare payments and pension benefits which an **Insured Organisation** pays a

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newly hired natural person to do the work of an **Employee** following the **Kidnapping, Hijacking or Wrongful Detention** of that **Employee** from the time the **Kidnapping, Hijacking or Wrongful Detention** starts until expiry of thirty days after that **Employee** is released or suffers **Loss of Life** or, if earlier, expiry of sixty months after the **Kidnapping, Hijacking or Wrongful Detention** began (but only to the extent of the rate of salary etc. that **Employee** was entitled to at the start of the **Kidnapping, Hijacking or Wrongful Detention**);

- (xiv) pecuniary loss which an **Insured Person** sustains as the result of that **Insured Person's** inability to attend to personal financial matters solely because of the **Kidnapping, Hijacking or Wrongful Detention** of that **Insured Person**;
- (xv) medical, cosmetic, psychiatric or dental treatment of an **Insured Person** necessitated by the **Kidnapping, Hijacking or Wrongful Detention** of that **Insured Person**;
- (xvi) up to thirty days' rest and rehabilitation, including meals and recreation, taken within twelve months following an **Insured Person's** release;
- (b) **Recall Expenses**;
- (c) other reasonable expenses incurred by an **Insured Organisation** with the **Company's** prior written consent.

Extortion means a threat made solely and directly against an **Insured Organisation** by a person or group to:

- (a) commit a **Kidnapping** of, do bodily harm to, or wrongfully abduct or detain any **Insured Person**;
- (b) damage or destroy any tangible property owned or leased by an **Insured Organisation**;
- (c) damage or destroy any tangible property for which an **Insured Organisation** is legally liable and which is located on the **Premises**;
- (d) contaminate any product manufactured or distributed by an **Insured Organisation**;
- (e) to make known to persons outside all **Insured Organisations** that a product manufactured or distributed by an **Insured Organisation** has been contaminated or is the subject of a threat to contaminate it;
- (f) disseminate, divulge or utilise any **Proprietary Information**;

where that person or group is demanding payment in exchange for the mitigation or removal of such threat.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Insured Organisation** or with regard to the same **Insured Person, Property, Proprietary Information**, product or type of product; or
- (iii) made by the same person or group,

shall be deemed to be a single **Extortion** commencing at the time of the first such threat.

Hijacking means the unlawful detention, other than a **Kidnapping**, of an **Insured Person** by violence or threat of violence by a person or group, where such unlawful detention:

- (a) commences while that **Insured Person** is travelling in an aircraft, watercraft or motor vehicle and lasts for more than four hours; or
- (b) commences while that **Insured Person** is travelling in an aircraft or watercraft and results in that **Insured Person's Loss of Life**.

Instructions means an ordered set of coded information that, when executed by a **Computer System**, causes such **Computer System** to process **Data** or perform one or more operations.

Insured means a person who is an **Insured Organisation** or an **Insured Person**.

Insured Organisation means an entity which is the **Principal Organisation** or any **Subsidiary**.

Insured Person means a natural person who is:

- (a) an **Employee**;
- (b) a **Relative**;
- (c) physically at the home of an **Employee** as a person employed in that **Employee's** household;
- (d) physically at the home of an **Employee** as a guest or residing there with the consent of that **Employee**;
- (e) physically on the **Premises** of an **Insured Organisation** as a guest or customer;
- (f) travelling in an aircraft, watercraft or motor vehicle with an **Employee** and as a customer or guest of an **Insured Organisation**; or
- (g) temporarily retained by an **Insured Organisation** to deliver money or property as ransom.

Kidnapping means:

- (a) a wrongful abduction and detention of an **Insured Person**, against their will or by deception, by a person or group

- (b) a claim by a person or group demanding such a payment, to have carried out such a wrongful abduction and detention.

Legal Liability Loss means the amount which an **Insured Organisation** becomes legally obligated to pay on account of any **Claim** including:

- (i) **Defence Costs**;
- (ii) awards of damages or orders made by any court or tribunal to pay compensation;
- (iii) judgments;
- (iv) sums payable due to any settlements to which the Company has consented;
- (v) punitive, exemplary or aggravated damages unless the Company is legally prohibited from paying such damages in the jurisdiction where the **Claim** is determined;
- (vi) the multiple portion of any multiplied damages award unless the Company is legally prohibited from paying such damages in the jurisdiction where the **Claim** is determined;
- (vii) awards of claimant's costs; and
- (viii) pre-judgment and post-judgment interest.

Legal Liability Loss does not include:

- (i) matters for which the Company is legally prohibited from indemnifying the **Insured Organisation** under the laws of India other than to the extent covered pursuant to paragraphs (e) and (f) above; or
- (ii) fines or penalties imposed by law.

Loss means destruction, disappearance, confiscation or criminal taking.

Principal Organisations means the entity stated in Item 1 of the Schedule

Policy Period means the period of time stated in Item 5 of the Schedule but subject to prior termination when cover terminates in accordance with Section 29 below.

Political Threat means a politically motivated threat made solely and directly against an **Insured Organisation**, to do bodily harm to an **Employee** or a **Relative**, by a person or group:

- (a) acting as agent of, or with tacit approval of, any government or governmental entity; or
- (b) acting, or purporting to act, on behalf of any political terrorist or insurgent organisation.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
 - (ii) made contemporaneously with regard to the same **Employee** or **Relative**; or
 - (iii) made by the same person or group
- shall be deemed to be a single **Political Threat** commencing at the time of the first such threat.

Premises means buildings or locations occupied by an **Insured Organisation** in conducting its business.

Proprietary Information means confidential information of an **Insured Organisation**, unique to its business, and which is protected by physical or electronic control or other reasonable efforts to prevent it being disclosed.

Recall Expenses means:

- (a) reasonable transportation expenses; and
- (b) other reasonable expenses for which the **Company** has given prior written consent; incurred by an **Insured Organisation** in the withdrawal, physical inspection or destruction of products manufactured or distributed by that **Insured Organisation** which are the subject of a threat to contaminate, but excluding:
 - (i) refunds for, the value of, or the cost of replacing such products; and
 - (ii) expenses which, even in the absence of such threat, would be, or would need to be, incurred in such withdrawal, physical inspection or destruction because of a known or suspected defect or lack of quality or because of any other reason.

Record means an **Insured Organisation's** information about its relationship with a customer which is not publicly available and is stored in an electronic medium, provided that such information is protected by electronic control to prevent it being disclosed.

Relative means an **Employee's** spouse or domestic partner, sibling, ancestor, spouse's ancestor, lineal descendant or lineal descendant's spouse. Lineal descendants include adopted children, foster children and stepchildren. Ancestors include adoptive parents and stepparents.

Subsidiary means a company which an **Insured Organisation** either directly or indirectly controls through:

- (a) holding a majority of the voting rights;
- (b) the right to appoint or remove a majority of its board of directors; or
- (c) controlling alone, pursuant to a written agreement with other shareholders, a majority of the voting rights therein.

Wrongful Detention means the wrongful detention, other than a **Kidnapping** or **Hijacking**, of an **Insured Person** against their will by a person or group for a

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period of at least twenty-four hours.

Bodily Injury Definitions

8. When used in bold type in this policy:

Bodily Injury means **Loss of Life, Loss of Eye, Mutilation, Loss of Speech and/or Hearing or Loss of Use** sustained by an **Insured Person** which:

- a) is sudden, unforeseen, unexpected and independent of any illness, disease or other bodily malfunction of that **Insured Person**; and
- b) happens by chance and arises from a source external to such **Insured Person**.

Loss of Life means death. An **Insured Person** who is the victim of a **Kidnapping, Hijacking or Wrongful Detention** shall be deemed dead in the event that there is no communication from that **Insured Person** or those responsible for the **Kidnapping, Hijacking or Wrongful Detention** for a period of two years following the latest of:

- (i) the **Kidnapping, Hijacking or Wrongful Detention**;
- (ii) the last communication from that **Insured Person**; and
- (iii) the last communication from those responsible for that **Kidnapping, Hijacking or Wrongful Detention**.

Loss of Eye means the permanent and irrecoverable loss of sight in one eye to the extent that the degree of sight after correction remaining in that eye is 3/60 or less on the Snellen scale.

Loss of Speech and/or Hearing means the total, permanent and irrecoverable loss of hearing in both ears and/or the total, permanent and irrecoverable loss of speech.

Loss of Use means the total, permanent and irrecoverable loss of use of a foot, of a hand or of a thumb and index finger.

Mutilation means the permanent and irrecoverable loss by physical severance of an entire finger, toe, ear, nose or genital organ.

Exclusions

9. The Company shall not be liable:

- a) to reimburse for a surrender or **Loss** of money or property or for **Expenses**, to pay **Legal Liability Loss** or to pay in respect of **Bodily Injury** sustained where the **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion, or Political Threat** concerned involves any fraudulent, dishonest or criminal act of an identifiable **Employee** or where the surrender, **Loss, Expenses, Legal Liability Loss** or **Bodily Injury** involves any fraudulent, dishonest or criminal act of an identifiable **Employee**;
- b) to reimburse for a surrender or **Loss** of money or property or for **Expenses** where an **Insured Person** suspected or believed by an **Insured Organisation** to be the subject of a **Kidnapping, Hijacking, Wrongful Detention, Extortion, or Political Threat** has acted fraudulently, whether alone or in collusion with others, and the **Insured Organisation** has not, prior to the surrender or **Loss** or prior to the incurring of **Expenses**, made reasonable efforts to determine that such **Kidnapping, Hijacking, Wrongful Detention, Extortion or Political Threat** is genuine;
- c) to reimburse for money or property surrendered, or for a **Loss** of money or property intended to be surrendered, as ransom by or on behalf of an **Insured Person** unless, pursuant to Section 21.(a) below, that money or property is deemed to be money or property surrendered, or intended to be surrendered, by an **Insured Organisation**;
- d) to reimburse for loss of income not realised as the result of a **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion, or Political Threat**;
- e) to reimburse for **Expenses**, pay **Legal Liability Loss**, or pay in respect of **Bodily Injury** sustained, arising from **Wrongful Detention or Political Threat** which is due to:
 - (i) any violation by an **Insured** of the law of the country where the **Wrongful Detention** takes place or of the country by or on behalf of whose government or governmental entity the **Political Threat** is made; or
 - (ii) failure of an **Insured** to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;
- f) to reimburse for loss sustained by one **Insured** to the advantage of any other **Insured**;
- g) to reimburse for loss resulting from fraud by an **Insured Person**, whether acting alone or in collusion with others, allegedly sustaining **Bodily Injury**;
- h) to reimburse for a surrender or **Loss** of money or property or for **Expenses**, to pay **Legal Liability Loss** or to pay in respect of a **Bodily Injury** sustained:
 - (i) which arises from a **Kidnapping or Wrongful Detention** which commences in an **Excluded Country**; or
 - (ii) which arises from an **Extortion** (as described in subparagraph (a) of the definition of **Extortion**) where the act threatened is one threatened to take place in an **Excluded Country**.

10. The Company shall not be liable under Insuring Clause 2, 3, 4 or 5 to reimburse for money or property surrendered as ransom as a result of a **Kidnapping, Extortion or Cyber Extortion**.

11. The Company shall not be liable under Insuring Clause 1 for:

- a) loss of property or other consideration surrendered away from the **Premises** in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such property or other consideration at the time of such surrender for the sole purpose of conveying it to pay a previously communicated ransom or extortion demand and unless actually surrendered to those responsible for such demand or their designee; or
- b) loss of property or other consideration surrendered on the **Premises** unless brought onto the **Premises** after receipt of the ransom or extortion demand for the sole purpose of paying such demand and unless actually surrendered to those responsible for such demand or their designee.

Limits of Liability

12. The Company's maximum liability under Insuring Clause 1 for all money or property surrendered as ransom as a result of a **Kidnapping, Extortion or Cyber Extortion** and all related **Kidnappings, Extortions and Cyber Extortions** shall not exceed the Limit of Liability stated in Item 2(A) of the Schedule.

The Company's maximum liability under Insuring Clause 2 for all money and property the subject of a **Loss** and intended as ransom as a result of a **Kidnapping, Extortion or Cyber Extortion** and all related **Kidnappings, Extortions and Cyber Extortions** shall not exceed the Limit of Liability stated in Item 2(B) of the Schedule.

The Company's maximum liability under Insuring Clause 3 for all **Expenses** arising from a **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion or Political Threat** and all related **Kidnappings, Hijackings, Wrongful Detentions, Extortions, Cyber Extortions and Political Threats** shall not exceed the Limit of Liability stated in Item 2(C) of the Schedule.

The Company's maximum liability under Insuring Clause 4 for all **Legal Liability Loss** arising from a **Kidnapping, Hijacking, Wrongful Detention or Extortion** (as described in subparagraph (a) of the definition of **Extortion**) and all related **Kidnappings, Hijackings, Wrongful Detentions and Extortions** (as described in subparagraph (a) of the definition of **Extortion**) shall not exceed the Limit of Liability stated in Item 2(D) of the Schedule.

However many **Extortions** commence during the **Policy Period** and result in **Recall Expenses**, the total of reimbursements of **Recall Expenses** the Company shall be liable to make on account of all such **Extortions** together shall not exceed the Sub limit stated in Item 2(C)(i) of the Schedule. This Sub limit is not in addition to the Limit of Liability stated in Item 2(C) of the Schedule: payment of **Recall Expenses** on account of an **Extortion** counts towards that Limit of Liability.

However many **Kidnappings, Hijackings and Wrongful Detentions** commence during the **Policy Period** and result in costs of rest and rehabilitation (as described in subparagraph (a) (xvi) of the definition of **Expenses**), the total of reimbursements of such costs the Company shall be liable to make on account of all such **Kidnappings, Hijackings and Wrongful Detentions** together shall not exceed the Sub limit stated in Item 2(C)(ii) of the Schedule. This Sub limit is not in addition to the Limit of Liability stated in Item 2(C) of the Schedule: payment of such costs on account of a **Kidnapping, Hijacking or Wrongful Detention** counts towards that Limit of Liability.

Non-Accumulation of Liability

- 13. Amounts stated for Limits of Liability and Sub limits are maximum liabilities of the Company for all **Insured's** together, not:
 - (a) maximum liabilities per **Insured** surrendering or losing money or property, incurring **Expenses**, sustaining **Bodily Injury** or incurring **Legal Liability Loss**; or
 - (b) maximum liabilities per **Insured** who is the victim or subject of a **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion, or Political Threat**.

Regardless of how many years this policy remains in effect and of how many premiums are due or paid, whether under this policy, any prior bond or policy, or any renewal or replacement of this policy, the maximum liabilities of the Company and amounts payable by the Company shall not be cumulative from year to year or from policy period to policy period.

Deductible

- 14. With regard to each **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion and Political Threat** in respect of which the Company is (or but for this provision would be) liable to make payment under Insuring Clause 1, 2, 3 or 4 and all related **Kidnappings, Hijackings, Wrongful Detentions, Extensions, Cyber Extortions and Political Threats**, the Company shall only be liable to pay that amount of

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the total of the money, property, **Expenses** and **Legal Liability Loss** covered by Insuring Clause 1, 2, 3 or 4 which is in excess of the Deductible stated in Item 4 of the Schedule.

Bodily Injury Benefit Amounts

15. The relevant Benefit Amount:

- (a) for **Loss of Life** is the amount stated in Item 3(i) of the Schedule;
- (b) for **Loss of Eye** is the amount stated in Item 3(ii) of the Schedule;
- (c) for a **Mutilation** is the amount stated in Item 3(iii) of the Schedule;
- (d) for a **Bodily Injury** other than **Loss of Life**, **Loss of Eye** or **Mutilation** is the amount stated in Item 3(iv) of the Schedule.

Where a Bodily Injury is:

- (a) both a **Loss of Use** and a **Mutilation**; or
- (b) both a **Loss of Speech and/or Hearing** and a **Mutilation**,
the relevant **Benefit Amount** is that stated in Item 3(iv) of the Schedule.

An **Insured Person's** permanent and irrecoverable loss by physical severance of two or more entire fingers shall count as one **Mutilation** only. An **Insured Person's** permanent and irrecoverable loss by physical severance of two or more entire toes shall count as one **Mutilation** only.

The Company's maximum liability for all **Bodily Injuries** sustained by one **Insured Person** shall not exceed the **Loss of Life** Benefit Amount stated in Item 3(i) of the Schedule.

If, resulting from the same **Kidnapping**, **Hijacking** or **Wrongful Detention**, more than one **Insured Person** sustains a **Bodily Injury**, the Company's maximum liability for all **Bodily Injuries** sustained by **Insured Persons** and resulting from that **Kidnapping**, **Hijacking** or **Wrongful Detention** shall not exceed the Event Benefit Amount stated in Item 3(v) of the Schedule, which amount shall be divided proportionately amongst the **Insured Persons** sustaining the **Bodily Injuries**. To calculate those **Insured Persons'** shares, the amount which each shall receive shall bear the same proportion to the Event Benefit Amount as the amount which he or she would receive, in the absence of the provision in the previous sentence, bears to the total of the amounts which all of them would receive in the absence of that provision.

Bodily Injury: Payment of Benefit Amounts

16. The Benefit Amount payable for an **Insured Person's Loss of Life** shall be paid to that **Insured Person's** personal representatives. The Benefit Amount payable for a **Bodily Injury** other than **Loss of Life** shall be paid to the **Insured Person** who sustains that **Bodily Injury**.

Notification; Proof of Loss

17. It is a condition to the Company's liability under this policy to reimburse for a surrender or **Loss** of money or property or for **Expenses** or to pay in respect of **Bodily Injury**:

- (a) that the Company be given written notice of the **Kidnapping**, **Hijacking**, **Wrongful Detention**, **Extortion**, **Cyber Extortion** or **Political Threat** which gives rise to the surrender, **Loss**, **Expense** or **Bodily Injury** as soon as practicable and in any event no later than 60 days following commencement of that **Kidnapping**, **Hijacking**, **Wrongful Detention**, **Extortion**, **Cyber Extortion** or **Political Threat**;
- (b) that the Company be given written notice of the surrender or **Loss** of money or property, the incurring of the **Expenses** or the sustaining of the **Bodily Injury** as soon as practicable and in any event no later than 60 days following that surrender, **Loss**, incurring of **Expenses** or sustaining of **Bodily Injury**; and
- (c) that the **Principal Organisation**, within 4 months following the surrender or **Loss** of money or property, the incurring of the **Expenses** or the sustaining of the **Bodily Injury**, give the Company a proof of loss with full particulars, including:
 - (i) submitting to examination under oath at the Company's request;
 - (ii) producing all pertinent records to the fullest extent legally permissible at such times and places as the Company shall reasonably designate;
 - (iii) co-operating fully with the Company in all such matters pertaining to any loss or claim.

Legal Liability Loss: Reporting; Defence and Settlement

18. It is a condition to the Company's liability under this policy for a **Claim** that the Company:

- (a) is given written notice as soon as practicable of the **Kidnapping**, **Hijacking**, **Wrongful Detention** or **Extortion** to which the **Claim** relates and in any event no later than 60 days following commencement of that **Kidnapping**, **Hijacking**, **Wrongful Detention** or **Extortion**; and
- (b) is given written notice as soon as practicable of that **Claim**.

Each **Insured Organisation** shall, as a condition to the Company's liability under this policy for a **Claim**, give to the Company such information and co-operation as the Company may reasonably require, including but not limited to a description of the **Claim**, the allegations of negligence and incompetence, the names of the claimants and defendants and the manner in which the **Insured Organisation** first became aware of the **Claim**.

19. The Company shall have the right, but not the duty, to take over and conduct at any time the defence of **Claims**, including to appoint lawyers or other representatives or advisers for that purpose. Each **Insured Organisation** agrees not to settle or offer to settle any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented in writing.

If settlement of a **Claim** becomes possible and the Company considers it sensible, the Company may, with the consent of all the **Insured Organisations** against whom the **Claim** is made, make that settlement on those **Insured Organisations'** behalf. If any of those **Insured Organisations** withholds consent to that settlement, the Company's liability for **Legal Liability Loss** on account of the **Claim** shall not exceed the amount of that settlement plus **Defence Costs** accrued as of the date at which making of the settlement was proposed in writing by the Company to those **Insured Organisations**.

Each **Insured Organisation** undertakes not to prejudice the Company's interests or its potential or actual rights of recovery.

Notices

20. All notices required under this policy to be given to the Company shall be sent to:

Notice required by Section 17 or 18:
Claims Department
HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park
Andheri Kurla Road
Andheri East, Mumbai 400059, India.

Other Notices:
Executive Protection Department
HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park
Andheri Kurla Road
Andheri East, Mumbai 400059, India.

Notice shall be effective on the date of receipt by the Company at that address.

Insured Person's Own Assets

21. If, with regard to a **Kidnapping** or **Extortion**, the person or group perpetrating the **Kidnapping** or **Extortion** makes a demand for payment direct to an **Insured Person** rather than to an **Insured Organisation**, then, upon the **Principal Organization's** written request to the Company:

- (a) money or property surrendered, or intended to be surrendered, by or on behalf of that **Insured Person** as ransom in respect of that **Kidnapping** or **Extortion** shall be deemed to be money or property surrendered, or intended to be surrendered, by an **Insured Organisation**; and
- (b) **Expenses** incurred by or on behalf of that **Insured Person** and which are described in subparagraphs (i) to (viii), (x), (xi) or (xiv) to (xvi) of the definition of **Expenses** shall be deemed to be incurred by an **Insured Organisation**.

The Company's liability under this policy for money, property and **Expenses**:

- (a) which are deemed pursuant to this Section to be incurred, surrendered or intended to be surrendered by an **Insured Organisation**; and
- (b) which were incurred, surrendered or intended to be surrendered by or on behalf of an **Insured Person** other than an **Employee**,

shall be reduced by amounts paid on account of such money, property or **Expenses** under any other policy issued by HDFC ERGO General Insurance Company or any other subsidiary, affiliate or associate of The Chubb Corporation.

Changes in Exposure

22. If, during the **Policy Period**, an **Insured Organisation**:

- (a) acquires securities or voting rights in another entity or creates an entity which as a result of such acquisition or creation becomes a **Subsidiary**; or
- (b) acquires any entity by merger into or consolidation with that **Insured Organisation**, then that entity shall automatically become an **Insured Organisation** under this policy with effect from the date of such acquisition or creation but only with respect to **Kidnappings, Hijackings, Wrongful Detentions, Extortions, Cyber Extortions**, and **Political Threats** which commence after such acquisition or creation.

However, if such acquired or created entity has gross consolidated assets that increase the total consolidated assets of all the **Insured Organisations** together by more than 25% as recorded in the latest annual report and consolidated accounts of the **Principal Organisation**, the **Principal Organisation** shall give written notice of such acquisition or creation to the Company as soon as practicable and also such information as the Company may require. The Company shall have the right to amend the terms of this policy including charging an additional premium.

If a **Subsidiary** ceases to be a **Subsidiary** during the **Policy Period**, cover with respect to that **Subsidiary** and with respect to persons who by relationship to that **Subsidiary** or to any of its **Employees** are **Insured Persons** shall continue until termination of cover as provided in Section 29, but only with respect to **Kidnappings, Hijackings, Wrongful Detentions, Extortions, Cyber Extortions** and **Political Threats** which commence prior to that **Subsidiary** ceasing to be a **Subsidiary**.

Valuation and Foreign Currency

23. For the purposes of establishing amounts payable by the Company in respect of money or property reimbursable under Insuring Clause 1 or 2, the following shall apply for valuation:
- (a) for securities, the least of:
- the closing price of the securities on the business day immediately preceding the day of the surrender or **Loss** of the securities;
 - the cost of replacing the securities; and
 - the cost to post a Lost Instrument Bond.
- (b) for paper, microfilm, tapes, disks, computers and other material or means for storing information, the cost of such material or means as if blank and not the value of whatever is recorded therein;
- (c) for other property, the lesser of:
- the price paid by an **Insured** for the property; and
 - the cash value of the property at the time of its surrender or **Loss**;
- (d) for foreign currency, the Indian Rupees value of any foreign currency based on the cash rate of exchange for the purchase of Indian Rupees published by the Reserve Bank of India or, if it has ceased to be current, a currency conversion web site selected by the Company, on the day of the surrender or **Loss** of the foreign currency.

Subrogation

24. The Company shall be subrogated to the extent of any payment under this policy to each **Insured's** rights of recovery, and each **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights and to enable the Company to bring proceedings in the name of that **Insured**.

Recoveries

25. Recoveries, whether effected by the Company or by an **Insured**, less the cost of recovery, shall be distributed as follows:
- first, to that **Insured** for the amount of loss otherwise covered but in excess of the applicable Limits or Sub limits of Liability;
 - second, to the Company for the amount paid to that **Insured** as covered loss;
 - third, to that **Insured** for any Deductible;
 - fourth, to that **Insured** for the amount of such loss not covered under this policy.
- Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.

Other Insurance

26. If loss covered by this policy is insured under any other valid policy, then this policy shall cover such loss, subject to its terms, only to the extent that the amount of such loss is in excess of the amount of payment from such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided in this policy for the Insuring Clause under which the loss is covered.

Authorisation Clause

HDFC ERGO General Insurance Company Limited. IRDAI Reg No.146
CIN : U66030MH2007PLC177117. Registered & Corporate Office: 1st Floor, HDFC House, 165/166 Backbay Reclamation, H.T.Parekh Marg, Churchgate, Mumbai - 400 020.

27. The **Principal Organisation** hereby agrees to act on behalf of all **Insured's** with respect to the payment of premiums and the receiving of any return premiums that may become due under this policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this policy, and the **Insured's** agree that the **Principal Organisation** shall so act on their behalf.

Alteration and Assignment

28. No change in, modification of, or assignment of interest under this policy shall be effective except when made by written endorsement to this policy duly executed on behalf of the Company.

Termination

29. This policy shall terminate at the earliest of the following times:
- sixty days after the receipt by the **Insured** of a written notice of termination from the Company;
 - upon the receipt by the Company of written notice of termination from the **Insured**;
 - upon expiration of the **Policy Period** as set forth in Item 2 of the Schedule of this policy; or
 - at such other time as may be agreed upon by the Company and the **Principal Organisation**.

If, at the time of termination of cover under this policy, no **Insured** has given notice of a **Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion** or **Political Threat**, the Company shall refund the unearned premium:

- computed at customary short rates, if cover under this policy is terminated by the **Principal Organisation**; or
- computed pro-rata, if cover under this policy is terminated other than by the **Principal Organisation**.

Termination of Prior Policies

30. Cover under all policies stated in Item 7 of the Schedule shall terminate, if not already terminated, on the inception date of this policy.

Choice of Law for Policy Disputes

31. The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with and governed by the laws of India. Any disputes relating to the construction and enforcement of this policy shall be submitted to the exclusive jurisdiction of the courts of India.

Conformity

32. The provisions of this policy shall be read subject to the laws governing construction of this policy and if any provision of this policy are inconsistent with such laws then:
- where such provision can be read so as to give it a valid and enforceable operation of a partial nature it shall be read to the extent necessary to achieve that result;
 - in any other case such provision shall be severed from this policy in which event the remaining provisions shall operate as if the severed provision had not been included.

Policy Construction

33. In this policy:
- the title and any headings or sub-headings are solely for convenience and form no part of its terms and conditions;
 - the Schedule hereto is part of and forms an integral part of this policy;
 - the singular includes the plural and the plural includes the singular, unless otherwise indicated;
 - the word 'person(s)', wherever it appears, means legal or natural person(s) unless otherwise specified; and
 - a reference to one gender includes the other gender.

Arbitration

34. Any and all disputes or differences which may arise under, out of, in connection with or in relation to this policy, or to its existence, validity or termination, or to the determination of any amounts payable under this policy shall be referred for resolution by binding arbitration at Mumbai, in accordance with the provisions of the Indian Arbitration and Conciliation Act 1996, as amended.

Arbitration shall be conducted as follows:

- a) All proceedings in any arbitration shall be conducted in English and a daily

UIN : Kidnap/Ransom & Extortion Policy - IRDAN125P0001V01200809.
Customer Service Address: D 301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg, Bhandup (West), Mumbai - 400 078. Customer Service No : +91 2262340234 / +91-120 6234 6234 | www.hdfcergo.com

Policy Wording

Kidnap/Ransom and Extortion Policy

transcript in English of such proceedings shall be prepared.

- b) Within thirty (30) days after either the Company or the Insured issues notice under this Section 15, the parties shall each appoint an arbitrator. The two arbitrators shall appoint a third arbitrator who shall serve as the presiding arbitrator.
- c) The arbitration award shall be final and binding on the parties, and the parties agree to be bound thereby and to act accordingly.
- d) The arbitrators shall have the power to give injunctive relief and such other relief to the extent appropriate.
- e) The arbitrators shall have the power to award interest up to the date of payment of any monies due under the award. The arbitrators shall have no authority to award punitive or exemplary damages.
- f) The parties shall each bear their own costs associated with the arbitration and shall share equally in the costs of the arbitration proceedings and presiding arbitrator.
- g) When any dispute is under arbitration, except for the matters under dispute the parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this policy.

Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to such Court for a judicial recognition of the award or an order of enforcement thereof, as the case may be.

IN THE EVENT OF A KIDNAPPING

HDFC ERGO / Chubb is pleased to provide this information in cooperation with The Ackerman Group, one of the world's preeminent security consulting firms in the field of corporate-related terrorism. Since 1978, The Ackerman Group has made itself immediately available, 24 hours a day, to HDFC ERGO / Chubb customers who have kidnap/ransom & extortion insurance coverage. If you have questions regarding The Ackerman Group's services, you may contact them directly at 001.305.865.0072.

Before a crisis...

Perhaps the most important step your company can take to react effectively to a kidnapping is to plan ahead, appoint the right people to a crisis management team, and make certain field and home office staff know how to contact a team member.

Plan ahead by making these preparations

- 1) Establish a corporate crisis management team made up of three core people:
 - a) The ultimate decision maker, normally the CEO.
 - b) The coordinator, often the corporate security director, risk manager, or chief of international operations.
 - c) The general counsel.

The team might also include a finance officer (to raise the ransom), a personnel specialist (to oversee the care of the hostage's family), and a public relations specialist (to handle press inquiries). Since the first hours following a kidnapping are critical to successful resolution, early decisions should be made by key corporate decision makers in consultation with The Ackerman Group, not by a field manager or staff.

- 2) Create a communications infrastructure so field managers know who is on the crisis management team and how to notify them the moment an emergency occurs. Stress that immediate notification of the crisis management team, even before notifying local law enforcement authorities, is necessary to ensure effective handling of the situation consistent with procedures established for these emergency situations.

The Initial Response to a Kidnapping**When a threat occurs...**

In general, neither the field manager nor the crisis management team should try to thwart the attempt alone, but should swiftly do the following.

The field manager should:

- 1) Contact a crisis management team member (usually the coordinator) immediately upon learning of, or suspecting, a kidnapping.
- 2) Give all the known details about the circumstances of the abduction, the medical condition of the hostage, and the content of any communications from the kidnappers.

The crisis management team should:

- 1) Ask the field manager (or other caller) for the specifics about the abduction circumstances, hostage's medical condition, content of kidnappers' communications, and other useful information.
- 2) Instruct the field manager (or other senior representative) not to talk to the press and not to report the incident to local law-enforcement authorities until the crisis management team gives the go-ahead. (This assumes local authorities have not already been notified.)
- 3) Direct the field manager to prepare appropriate staff members to expect written or telephone communications from the kidnappers and to record phone calls if possible. Call recipients should merely listen to the demands and ask the kidnappers to call back. They should not attempt to negotiate.
- 4) Tell the field manager to stand by for further instructions from the crisis management team. Emphasize no one should attempt to handle this emergency alone.
- 5) Convene a meeting of the crisis management team and immediately contact The Ackerman Group (001.305.865.0072, day or night). When calling, identify the corporation as a HDFC ERGO / Chubb insured. The Ackerman representative will normally participate in the initial team meeting by speakerphone, and then spearhead the recovery effort. However, all significant decisions will be referred to the crisis management team.

The Ackerman Group, Inc.

As a customer of HDFC ERGO / Chubb, you are guaranteed immediate response from The Ackerman Group Inc., an independent international security consulting firm retained to assist your organization in a time of crisis. The Ackerman Group can handle all aspects of a hostage recovery, including negotiations, liaison with law enforcement agencies, conversion and protection of ransom funds, and even delivery of ransom funds.

Mike Ackerman, Managing Director, is widely acknowledged as one of America's leading authorities on terrorism; Mike Ackerman's forte is recovering kidnap victims. He has lectured at the National War College, the Harvard Business School and Dartmouth's Amos Tuck School of Business Administration, and appeared before the crisis-management teams of numerous multinational corporations. Ackerman served in the CIA's Clandestine Services for 11 years before resigning in 1975. In the CIA he had undertaken intelligence operations in some 20 European, Latin American and African countries. Fluent in Spanish and conversant in Russian and Italian, Ackerman graduated from Dartmouth College magna cum laude and holds an M.A. from Columbia. He was a security officer in the Strategic Air Command.