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I. What is insured?

1. Insured activities

Insurance cover shall be provided by the Insurer to the Insureds (item III:1.) within the framework of the after-mentioned terms and conditions for damages arising from operational activities of a telecommunication or IT-company, in particular for the

- production of and trading with soft- and hardware;
- repair, maintenance, modification, implementation of soft- and hardware;
- IT-consulting, training and analysis;
- installation and organisation of networks;
- Internet-providing-services;
- web design and web care;
- operation of computer centres, including hosting, cloud computing, SaaS etc.;
- data collection and data processing.

Insurance cover shall also be provided to the Insureds

- for the occupation as data protection officer within the meaning of the German Federal Data Protection Act (BDSG), the General Data Protection Regulation (EU-GDPR) or any corresponding foreign laws;
- in the case of the hiring out of employees, i.e. to the extent that Insureds are hired out to a third-party for the performance of IT activities;
- if a claim is asserted against them for publications in connection with products or services of the Policyholder because of advertisement and marketing for the own company.

2. Subject-matter of the insurance

Der Versicherer gewährt den Versicherten im Rahmen der vorgenannten Tätigkeiten Versicherungsschutz für die in Ziffer I.2.1. aufgeführten Haftpflichtschäden sowie für die in Ziffer I.2.2. genannten Eigenschäden (sofern im Versicherungsschein besonders vereinbart). Des Weiteren gewährt der Versicherer den Versicherten die im Versicherungsschein näher beschriebenen Assistance- und Präventionsleistungen.

2.1. Haftpflichtversicherung

Within the framework of the afore-mentioned activities the Insurer provides insurance cover for the liability claims specified in item I.2.1. as well as for the first party claims specified in item I.2.2. In addition, the Insurer shall grant to the Insureds the assistance and prevention benefits described in more detail in the insurance policy.

2.1.1. Liability insurance

Financial losses are losses and/or damages which are neither personal injuries (killing of, injury to the body or damage to the health of humans) nor property damages (damage to, deterioration, destruction or loss of property, in particular of money and cash and cash equivalents), nor caused by these. Damages due to the loss, modification or blocking of electronic data and also damages caused by self-reproducing malicious codes (e.g. viruses, worms, Trojan Horses) are deemed to be financial losses.

Insurance cover under the financial loss liability insurance includes in particular also:

- claims due to culpa in contrahendo (fault in contract negotiations);
- indemnification due to non-compliance or poor compliance with the contractual duty to perform;
- claims for damages due to the breach of auxiliary contractual duties;
- claims for delay damages;

- claims for damages due to loss of profits;
- claims arising from the breach of intellectual property rights (industrial property rights/protective rights and copyrights, as for example name rights, trademark rights, license rights) of a third party committed by an Insured, except for infringements of patent rights. With regard to infringements of patent rights insurance cover will however be provided pursuant to item I2.2.9. in the form of the cost reimbursement as first party loss;
- the liability arising from the violation of regulations of the antitrust or competition laws;
- immaterial damages arising from insured financial losses. Included therein are claims for damages for pain and suffering due to violation of personality rights.

Insurance cover within the framework of the present terms and conditions will be provided by the Insurer to the Insureds not only, if the Insureds are held liable by a third party for the compensation of a financial loss on the grounds of legal liability provisions, but also if the claim:

- is asserted due to the infringement of confidentiality -, non-disclosure - or data protection agreements or resp. declarations. Insurance cover for the afore-mentioned infringements will be provided within the framework of the indemnity limit specified in the insurance policy also for contractual penalties;
- is based upon the fact that the Insureds have contractually agreed upon a no-fault liability instead of a legally prescribed fault-based liability (e.g. no-fault liability for service level agreements).
- claims for delay damages;

2.1.2. Property damage liability insurance

Insurance cover will be provided by the Insurer to the Insureds not only, if these are held liable by third parties for the compensation of property damages to records, documents and other movable objects which are made accessible to the Insureds by the client within the framework of the job completion.

2.2. First party insurance (if specifically agreed in the insurance policy)

In addition, insurance cover shall be provided to the Insureds by the Insurer within the framework of the after-mentioned terms and conditions and against assignment of the liability claims to which the Insureds are entitled for the following loss- and cost items which they themselves suffer (first party losses).

2.2.1. Loss of service of representatives or IT-specialists in key positions / Key Man Cover (if specifically agreed in the insurance policy)

The Insurer shall reimburse the insured companies pursuant to the after-mentioned terms and conditions for any costs arising from the loss of service of any staff member in key position, i.e. a representative or IT-specialist that has an important influence on the success of the insured activity or individual IT-projects.

An insured loss of service of any staff member in key position is deemed to have occurred, if the same is permanently prevented from rendering his/her service due to any of the following circumstances:

- effective extraordinary termination and termination without notice by the insured company due a massive professional misconduct of the employee;
- incapacity for work attested by a doctor which will last longer than six weeks, or;
- death of the staff member.

Compensation will be provided for the following costs necessarily incurred for the replacement of the staff member in key position in order to avoid an insured liability claim, provided these costs have been previously agreed with the Insurer:

- costs for human resources consulting (including head-hunter costs),
- costs for external communication (including costs of the job advertisement) as well as
- additional personnel costs for a period of up to six months, i.e. additional internal and external costs in order to fulfil the tasks of the absent staff member, less any saved payments.

The limit of indemnity specified in the insurance policy shall apply to the cover under the present item.

2.2.2. Loss of documents
(if specifically agreed in the insurance policy)

The Insurer shall reimburse the necessary costs for the recovery or reproduction of own (also electronic) documents, which an insured company requires for carrying out the order.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.3. Reputational damage
(if specifically agreed in the insurance policy)

After previous agreement, the Insurer shall replace the necessary costs for a PR-adviser for the avoidance, removal or minimisation of a substantial reputational damage, if a reputational damage is impending or has already occurred to the insured company due to an event insured.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.4. Reimbursement of project costs and fees
(if specifically agreed in the insurance policy)

The Insurer shall reimburse to the Policyholder project costs and fees in accordance with the after-mentioned provisions:

- Reimbursement of project costs after justified withdrawal of the client
The Insurer shall reimburse the wasted expenditures (material and staff costs including fees already paid to self-employed and freelance subcontractors, but not however any loss of profits or own fees) of the Policyholder in the case of a justified withdrawal of his client.
- Reimbursement of fees after justified extraordinary termination by the client
The Insurer shall reimburse the fees of the Policyholder in the case of a justified extraordinary termination by the client arising from repeated technical errors or default in performance due to illness. Insurance cover shall be provided for the fees which would have been due and payable until the point in time when the ordinary termination would have become legally binding at the earliest, not exceeding however the time of the originally agreed project end. The profit earned in the period between the justified extraordinary and the justified ordinary termination will be taken into account. The Policyholder must seek an adequate activity and remuneration in the aforementioned period.

The Insurer's duty to indemnify shall only apply to the extent that the reason for the justified withdrawal or the justified extraordinary termination is not based upon an intentionally or gross-negligently faulty assessment of the existing technical, logistic, financial or staff resources of the Policyholder.

Insurance cover shall exclusively be provided for contracts concluded after the commencement of insurance. There will be no retroactive insurance cover for insurance contracts already concluded prior to the commencement of insurance.

The Insurer shall also examine whether or not the withdrawal or respectively the extraordinary termination have been justified to the extent that the costs incurred there-for shall be in a price-performance ratio to the wasted expenses or outstanding fees.

Indemnification by the Insurer will only be effected step by step against assignment of the recourse rights to which the Policyholder is entitled.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.5. Fidelity claims
(if specifically agreed in the insurance policy)

Insurance cover is provided for first party losses of an insured company which it suffers as a consequence of the intentional realisation of a financial crime by their employees or freelance staff members.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.6. Damage or destruction of the own website
(if specifically agreed in the insurance policy)

Insurance cover is provided for the necessary costs for the restoration of the own website of an insured company if the website is damaged or destroyed by third parties.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.7. Penalties/fines and punitive and exemplary damages in foreign countries
(if specifically agreed in the insurance policy)

To the extent permitted by the law of the foreign legal system under which the fine is imposed, the Insurer shall replace penalties/fines imposed against an Insured by any data protection authority or any court on the grounds of a data breach.

Moreover, to the extent permitted by the law of the foreign legal system according to which damages with penal character (in particular punitive or exemplary damages) are awarded, the Insurer shall replace damages with penal character (in particular punitive or exemplary damages), which are imposed directly or indirectly against an Insured and which have been triggered through a data breach.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.8. Costs of criminal defence
(if specifically agreed in the insurance policy)

In the defence against a criminal accusation which could result in a liability claim falling within the insurance cover, the Insurer will replace the necessary out-of-court and court costs of the defence lawyer, including the costs of proceedings with which action is taken against a court summons of an Insured.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.9. Reimbursement of costs in the event of infringements of patent rights (if specifically agreed in the insurance policy)

If claims are asserted against an insured company arising from infringements of patent rights which in their substance are unfounded, the Insurer shall reimburse the insured company for the costs necessarily incurred through the defence of the claim.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

2.2.10. Reimbursement of costs in the event of a contest of debtor's transactions in insolvency proceedings (if specifically agreed in the insurance policy)

If insolvency proceedings are opened against the assets of a client of an insured company and the insolvency administrator subsequently contests the payment of fees or wages for work which the client has made to the insured company during the period of this insurance contract (contest of debtor's transactions in insolvency proceedings), the Insurer shall reimburse the costs for a legal examination of the legality of the contest of the debtor's transactions prior to the opening of insolvency proceedings, provided these are incurred after prior consultation, and - if promising - the Insurer will reimburse the costs of legal action against the contesting of the debtor's transactions in the insolvency proceedings. The costs will only be reimbursed if the insured company had no knowledge of any disadvantage to creditors, of the client's insolvency, of the petition to open insolvency proceedings or of any circumstances necessarily indicating the insolvency or the petition to open insolvency proceedings.

The cover under the present item is subject to the limit of indemnity specified in the insurance policy.

II. What is not insured?

No insurance cover shall be provided for

1. Contractual performance / warranty

Claims for performance of contracts, guarantee promises (unless it is an explicitly agreed strict liability for Service Level Agreements in accordance with item I.2.1.1. last indent), subsequent performance, from self-performance, withdrawal, reversal or reduction.

Otherwise, financial losses incurred by a third party as a result of defective performance of a contractual obligation and going beyond the aforementioned defective performance shall remain insured (e.g. reimbursement of expenses incurred in vain in reliance on proper performance of the contract).

2. Wilful breach of duty / misconduct

Claims due to wilful breach of duty/misconduct or to intentional non-compliance with the law, regulation or order of the client; however, the Insurer will take over the defence of liability claims until the intentional breach of duty is determined by final judgement, decision of a mediator or acknowledgement by the Insureds; in this case the Policyholder is obligated to reimburse all benefits paid by the Insurer for this insured event;

3. Claims of the Insureds against each other

Claims

- of the Insureds against each other, unless agreed otherwise;
- of partners with unlimited personal liability of an insured company, if it is a general partnership, private limited partnership or partnership under the Civil Code (BGB-partnership);

- by companies, which are associated with the insured company through majority interest or which are represented by a person that is at the same time a representative of an insured company;
4. Monetary penalties, fines, contractual penalties or punitive damages
Claims arising from monetary penalties, fines, contractual penalties or punitive damages (e.g. punitive or exemplary damages), to the extent as these are not expressly held covered under the insurance. Not included under this exclusion are however any recourse claims asserted against the Insured that arise from the monetary penalties, fines, contractual penalties or punitive damages (e.g. punitive or exemplary damages) imposed on a third party.
 5. Technical infrastructure
Claims due to the breakdown or defective provision of Internet providing or telecommunications services by third parties as well as the provision of buildings, premises or technical infrastructure (e.g. water and electricity suppliers) by third parties, insofar as the Policyholder has waived his right of recourse against this third party based on contractual agreements.
 6. Securities trading
Claims related to the purchase, sale or trading of any type of securities.
 7. USA or Canada claims
Claims which are asserted before courts in the USA or Canada or which are based on the law of these countries, because of
 - the violation of the Racketeer Influenced and Corrupt Organizations Act 18 USC Sections 1961 et seq. including the amending provisions;
 - i. violation of the Employee Retirement Income Security Act of 1974, including its amending provisions and the corresponding provisions of other legislative bodies (e.g. states, municipalities, cities);
 - i. government actions, administrative decisions or investigations by authorities in the US or Canada.
 8. Product recall
Claims due to the recall of products and the costs associated therewith.
 9. Patent infringements
Claims based on patent law infringements, unless they relate to cost reimbursement for patent law infringements in accordance with Section I.2.2.9. However, no insurance cover shall be provided for cost reimbursement if claims are asserted against the Insureds before courts of the USA or Canada or are based on the infringement of the law of these states.
 10. Compulsory insurance
Claims for activities for which there is a statutory obligation to take out insurance or which are subject to a compulsory liability insurance.
 11. Nuclear installations
Claims for deliveries and services in connection with the planning, design, manufacture, monitoring, control or delivery of atomic or nuclear facilities.
 12. Violent conflict
Claims for damages due to war, invasion, civil war, insurrection, revolution, rebellion as well as military or other forms of violent conflict.

III. Who is insured?

1. Insureds

Insureds within the meaning of this insurance contract are insured companies and co-insured persons performing the insured activity.

Insured companies are:

- the Policyholder,
- its subsidiaries in Germany and in the countries of the European Economic Area (EEA), and
- subsidiaries of the Policyholder outside the EEA to the extent that these are expressly named in the insurance policy.

Co-insured persons are the:

- members of the management of the insured companies,
- employees of the insured companies,
- employees of temporary employment agencies, interns and working student trainees integrated into the operations of the insured companies,
- freelancers (natural persons) integrated into the business operations of the insured companies, provided that they act in the name and upon orders of the insured companies.

2. Subcontractors

Liability claims due to damage caused by a subcontractor or vicarious agent commissioned by an insured company are also insured. The personal liability of these subcontractors or vicarious agents is not insured if they are not co-insured persons.

3. Work- and supply consortia (ARGE)

Insurance cover is also provided for statutory liability arising from participation in work- and supply consortia (ARGE) if the liability claim is directed against the ARGE itself. Irrespective of the other contractual conditions, the following provisions shall apply to the participation in a work- and supply consortium (ARGE):

If the tasks are divided according to special fields, partial services or construction stages and it can be determined that the Insured was the ARGE partner causing the damage, insurance cover is provided for damage caused by the Insured up to the agreed sums insured.

If the tasks within the meaning of the preceding paragraph of this clause are not divided up or if the ARGE partner causing the damage cannot be identified, the Insurer's liability to pay compensation shall be limited to the quota corresponding to the Insured's percentage share in the ARGE.

Excluded from insurance cover are claims for damage to items brought into the ARGE by the individual ARGE partners or procured by the ARGE and all resulting financial losses, regardless of who caused the damage.

Claims of the partners of the ARGE against each other as well as claims of the ARGE against the ARGE partners and vice versa are also excluded.

The Insurer is also obliged to pay compensation if insolvency proceedings have been instituted against the assets of an ARGE partner or that such proceedings have been refused for lack of assets and that this partner is not covered by insurance due to non-payment of its premium. The share accruing to the Insured will be replaced to the extent that after the ARGE partner's departure and the resulting dispute a deficit amount remains for him.

4. New subsidiaries

If a company becomes a subsidiary through formation or acquisition during the period of contract, insurance cover shall be granted automatically for events insured after the date of formation or acquisition.

If the turnover of the newly formed or acquired subsidiary exceeds 40% of the consolidated turnover of the Policyholder at the time the acquisition becomes effective, insurance cover is only provided subject to agreement on a condition and premium adjustment.

Both paragraphs do not refer to companies outside the EEA or to events insured,

- based on breaches of duty for which another insurance contract provides cover, or,
- based on breaches of duty of which an Insured was aware at the time of acquisition or formation.

5. Representatives clause

Representatives within the meaning of this contract are

- the members of the board (in the case of stock corporations),
- the executive directors (in the case of limited liability companies),
- the general partners/partners with unlimited liability (in the case of private limited partnerships),
- the partners (in the case of general partnerships),
- the partners (in the case of BGB companies/partnerships organised under the German Civil Code),
- the owners (in the case of individual enterprises),
- in the case of other forms of enterprises (e.g. cooperatives, associations, clubs, corporations under public law, municipalities) the representative bodies appointed according to the statutory provisions,
- the head of the legal department, the IT department as well as of the risk management,
- in the case of foreign firms, the group of people corresponding to the above.

As far as the conduct, fault, awareness, knowledge or negligent lack of knowledge of the insured companies is concerned, only the conduct, fault, awareness, knowledge or negligent lack of knowledge of the representatives shall be relevant.

IV. Event insured

1. Event insured in the financial loss insurance and in first party insurance

Unless agreed to the contrary in the following, event insured is deemed to be the loss occurrence which directly causes the damage to the third party or the Policyholder. The point in time when the loss and/or damage is caused shall not be relevant.

2. Event insured in the first party insurance in the case of loss of service of representatives or IT specialists in key positions / Key Man Cover

Event insured within the meaning of this first party cover is the effective termination of the employment relationship, the issuance of the medical certificate of permanent incapacity to work or the death of the employee in a key position.

3. Event insured in the first party insurance project costs and reimbursement of fees

The insured event within the meaning of this first party loss cover is the receipt by an insured company in text form of the first declaration of withdrawal or extraordinary termination by the client.

4. Serial loss

Several events insured occurring during the insured period, which are based on the same cause or on several identical causes with an internal, in particular factual and temporal connection, shall be regarded - even if they occur in different insurance periods or during the additional

notification period – as one single insured event which is deemed to have occurred at the time when the first of the combined insured events occurred.

5. Accumulation clause

The Insurer's duty to indemnify will be limited to the highest of the agreed sums insured if insurance cover is provided for one and the same infringement or for one and the same loss event under several liability insurance contracts of the Hiscox Group or several modules of this insurance contract (accumulation clause).

There will be no accumulation of the sums insured.

If different deductibles have been agreed for the insured event or loss in the insurance contracts involved, only the lower of the agreed deductibles shall apply in the event of an accumulation.

V. Period of insurance

1. Forward insurance

Insurance cover extends to include all events insured occurring during the period of the insurance contract.

This does not apply to events insured for which insurance cover exists under any other insurance contract; or the occurrence of which was anticipated by the Insureds upon submission of the contract declaration.

2. Run-off period

If the insurance relationship ends due to the permanent cessation of the insured activities of the Insured, insurance cover shall also be provided for a period of five years after the expiry of the contract for insured events occurring after the termination of the insurance contract.

Insurance cover during the run-off period shall be provided within the scope of the insurance cover applicable at the time of termination of the insurance relationship, that is to say in the amount of the unused portion of the sum insured of the insurance year in which the insurance relationship ends.

3. Unlimited extended reporting period

Insurance cover within the scope of the policy terms will also be provided for events notified after the termination of the insurance relationship.

4. Retroactive insurance without existence of a previous contract

If no previous insurance contract existed, insurance cover shall also include loss events occurring up to six months before the conclusion of the insurance contract, if such events would in principle be covered by insurance. This does not apply if the loss events were known to an Insured before the contract declaration was submitted. The insurance conditions agreed at the beginning of the first insurance year shall apply.

5. Subsidiary retroactive insurance in the case of existence of a previous contract

Insurance cover extends to also include events insured occurring prior to the conclusion of the insurance contract, if the contract directly follows another insurance contract of the same kind and the event insured is no longer covered therewith due to expiry of any run-off period or extended reporting period. No retroactive insurance cover shall be granted, if the previous contract provides for a run-off period or extended reporting period of less than two years, the event insured could have been notified to the previous Insurer prior to the expiry of the run-off period or extended reporting period or the event insured was known to the Policyholder or the co-insured person being held liable before submission of the contract declaration. To the extent retroactive insurance cover is granted, the insurance conditions agreed at the commencement of the first insurance year shall be applicable.

VI. Territorial limits and non-admitted countries

Insurance cover shall be provided worldwide.

If it is not possible for the insurer for legal reasons to provide contractually owed benefits abroad, these benefits must be provided to the Policyholder at the Policyholder's registered office. In this case, only the Policyholder himself is entitled to claim benefits.

VII. What are the Insurer's benefits

1. Insurance cover

Insurance cover of the liability insurance extends to include the indemnification of valid and the defence against invalid liability claims in court as well as out-of-court and arbitral proceedings by the Insurer. Within the framework of arbitration proceedings this shall however only apply insofar as the conduct of proceedings, in particular the choice of arbitrator and the rules of arbitration procedure are left to the Insurer.

Insurance cover of the first party insurance extends to include the reimbursement of first party losses.

Insurance cover shall however only be provided to the extent that the liability claims, or the first party losses asserted against the Insurer exceed the agreed deductible. The Policyholder must bear the deductible agreed in the insurance policy in each event insured. However, with regard to the defence costs, no deductible shall apply.

2. Indemnification of liability claims and liquidated damages

If the validity of the liability claim has been ascertained with binding effect for the Insurer, the Insurer shall indemnify the Insured from liability claims for damages established on the merits and in terms of amount and shall authorise payment of the amount due latest within one week of the due date.

If the Insured has agreed on liquidated damages with a client if damage is caused for which insurance cover would generally be provided under the present terms and conditions, the Insurer shall also indemnify the Insured against the claim for liquidated damages if the validity of the claim has been established on the merits with binding effect for the Insurer. Liquidated damages shall be deemed to apply if instead of a loss amount specifically to be calculated, the insured company and the client agree on a lump-sum based on a serious estimate of the loss typically to be expected, which is why the lump-sum calculation only serves to facilitate evidence and has no punitive function.

3. Defence of liability claims and injunctive relief / revocation

The Insurer shall assume the defence of the claim and bear the necessary out-of-court and court costs. Included therein are also the costs of a negative declaratory action or intervention by third party to support one of the litigants conducted by the Insured with the approval of the Insurer.

If a claim is made against an Insured not only for compensation for financial loss but also for injunctive relief or revocation, insurance cover shall attach also insofar in the form of cover for defence costs.

4. Costs

Costs are deemed to be lawyer-, expert-, witness-, court-, travel costs, expenses for the avoidance and minimisation of the loss upon or after occurrence of the event insured as well as damage assessment costs.

Costs not incurred upon instruction or at the instigation of the Insurer, in particular costs for a lawyer assigned without the Insurer's approval, will not be reimbursed. Not reimbursed either shall be the costs for a third-party notice for court action against the Insurer and costs incurred to the Policyholder or a co-insured person for the correspondence required on the occasion of an event insured.

5. Loss mitigation costs / sue and labour costs

The Insurer shall reimburse the costs of an Insured for the - also unsuccessful - avoidance or minimisation of an insured loss, insofar as the Insured could consider them to be necessary under the circumstances.

6. Defence costs relating to administrative procedures

If criminal proceedings, regulatory offence proceedings, or any other administrative proceedings are instituted against an Insured in connection with an activity pursuant to item I.1., the Insurer shall reimburse the necessary out-of-court and legal defence costs, including the costs for a lawsuit with the aim to proceed against a court summons.

If it is determined by final judgement that an Insured has intentionally committed a criminal act or a regulatory offence, the same will be obligated to refund to the Insurer the costs for the defence against the accusation borne by the same

7. Claims for payment of fees and compensation for work performed

If an Insured is held liable by a client for compensation of an insured loss or if a client has announced such a claim, the Insurer may, in order to avoid a legal dispute regarding the existence of an insured liability claim, meet outstanding claims of an insured company against a client for payment of fees and compensation for work performed if the possible damage claims exceed the sum of the outstanding claims for payment of fees and compensation. Payments made by the Insurer to the insured company will be set off against the Insurer's payment if the third party, contrary to expectations, asserts liability claims after all.

8. Assistance and prevention services in accordance with the insurance policy

The insurer's benefits also include the assistance and prevention services described in more detail in the insurance policy.

9. Indemnity limits

9.1. For each event insured

The Insurer's indemnity for each event insured shall be limited to the agreed sum insured or the limit of indemnity. Costs or other expenses will not be deducted there-from. Insofar as claims are asserted before the courts of the USA or Canada the costs incurred there-for will however be deducted from the agreed sum insured or limit of indemnity.

9.2. For each insurance year / annual limit

The Insurer's indemnity for each insurance year shall be limited to the agreed annual limit. Costs or other expenses will be deducted there-from.

9.3. Reimbursement of costs where the indemnity limit is exceeded

If the claim asserted exceeds one of the indemnity limits, the Insurer shall bear the costs only to the extent, in which they would also have been incurred to the amount of the indemnity limit in the case of a claim.

VIII. Premium adjustment due to change of the turnover

Supplementary to item II. General Regulations, Terms and Conditions 04/2015 ("Adjustment of the Premium Rate") the below regulation shall apply to the premium adjustment:

Insofar as the premium is calculated based on the Policyholder's turnover, the Policyholder shall be obligated at the Insurer' request to report in text form any changes in the consolidated annual turnover less turnover tax (amendment notification). For the purpose thereof, the Insurer will submit to the Policyholder a questionnaire to be replied within a period of three months. Upon the Insurer' request, statements are to be evidenced through the account books or any other proofs.

If the annual turnover changes the premium adjustment must be made for the entire ongoing period of insurance. For previous periods of insurance, no premium adjustment will be made.

If the Policyholder fails to submit the amendment notification in time, the Insurer shall – instead of adjusting the premium – be entitled to demand another payment of the premium agreed for the entire ongoing period. If the amendment notification is later submitted within a period of one month after receipt of the Insurer's request for subsequent payment, the Policyholder's duty to pay the premium again shall lapse and the Insurer will adjust the premium.

IX. Duties following the occurrence of the event insured

1. Notification of specific circumstances

The Insured must notify the Insurer immediately after becoming aware of:

- the occurrence of an event insured,
- the assertion of a liability claim directed against him,
- any court or preliminary proceedings, payment orders, arrests, fixed penalty orders, third-party notices, preliminary injunctions, independent proceedings for taking evidence and applications for legal aid by the claimant, directed against him.

2. Seeking specific legal remedies

Without waiting for the Insurer's instructions, the Insured has to file an objection and to seek legal remedies within the time limit against any court orders or administrative orders for compensation.

3. Compliance with the Insurer's instructions

The Insured shall be obligated to arrange – where possible - for the avoidance and minimisation of the loss and/or damage by complying with all instructions given by the Insurer and to do everything that serves to clarify the event insured, provided he is not expected to do something unreasonable. He has to support the Insurer in the defence of the claim as well with regard to the ascertainment and settlement of the loss and/or damage, to give full and true accounts of the loss and/or damage, to disclose all circumstances relating to the event insured and its consequences, and to submit all documents which the Insurer deems relevant for the assessment of the claim.

4. Transfer of the conduct of the lawsuit to the Insurer

Should a liability claim result in out-of-court or legal suit or arbitration proceedings, the Insured must leave the conduct of the lawsuit to the Insurer, to authorise the lawyer mandated or named by the Insurer and to give every possible information.

5. Compliance with the Insurer's settlement authority

The Insurer shall be authorised to give all out-of-court and legal declarations in the name of the Insured which the Insurer deems expedient in order to settle or defend a liability claim.

6. Consequences of a breach of duty

Should an Insured breach any of the above duties, the Insurer shall be released from its liability to indemnify, if the Insured has deliberately violated the duty. In the event of a gross negligent breach of duty, the Insurer shall be entitled to curtail its indemnity payment in the proportion corresponding to the degree of the Insured's culpability, the onus of proof for the absence of gross negligence being upon the Insured.

In any case, the Insurer remains liable to indemnify to the extent that the breach of the duty has neither been the cause for the occurrence or the ascertainment of the event insured, nor for the ascertainment or the scope of the Insurer's duty to perform. This shall not apply, if the Insured has fraudulently violated the duty.

In the event of a breach of the Insured's duties to disclose or inform, the Insurer will attach a separate notification indicating to the Insured in text form the legal consequences of the complete or partial release from the duty to indemnify.

X. Changes of the insured risk

In the case of a change of an insured risk, Sections 23 ff. of the Insurance Contract Act (VVG) shall apply, unless otherwise agreed in this contract.
