

SOCIAL ENGINEERING INSURANCE POLICY

PREAMBLE

The **Insured**, having submitted a written proposal form, which it is agreed forms the basis of this Insurance, is indemnified by this **Policy** subject to the terms, Conditions and Exclusions of this **Policy**.

INSURING CLAUSE

The **Insurer** will indemnify the **Insured** for **Claims** first made against the **Insured** during the **Period of Insurance**, provided that such **Claim**:

- a. is directly caused by **Social Engineering Fraud**; and
- b. is notified by the **Insured** to the **Insurer** during the **Period of Insurance**.

DEFINITIONS

Claim – means any written demand, suit or civil legal proceeding issued against the **Insured** by a **Member** for **Direct Financial Loss** suffered by that **Member**.

Deductible – means the first amount stated in the Schedule for which Insurers are not liable to indemnify the Insured in respect of each and every Occurrence.

Direct Financial Loss – means that primary pecuniary loss suffered directly by a Member, but excluding:
a. any associated loss consequently arising from the primary pecuniary loss; or
b. any primary pecuniary loss suffered in the first instance by any party other than the individual Member.

Employee – means

- a. any person/s employed under a contract of service or apprenticeship with the **Insured**.
- b. any person/s engaged by or on behalf of the **Insured** to perform a contract constituting the provision of labour only for the purpose of carrying out the day-to-day operations of the **Business**.
- c. any person engaged by or seconded to the **Insured** (including a volunteer worker) whilst performing any function for or on behalf of the **Insured**.

Fraudulent communications – means any fraudulent, deceptive or impersonated communication, whether electronic, digital, telephonic or verbal, which is designed to mislead or defraud a **Member** and which purports to originate from a trusted, legitimate or authorised source. **Fraudulent communication** includes, but is not limited to Email phishing or spoofing, SMS, WhatsApp or instant messaging, Social media impersonation, Voice calls (vishing), Artificial intelligence-generated or manipulated audio, video or visual content (including deepfakes)

Insured – means the Policy Holder named in the Policy schedule including all **Employees**.

Insurer – means Santam Limited

Limit of Indemnity – means the amount stated in the **Schedule** which will be the maximum amount payable by the **Insurer** under this **Policy**.

Members – means a merchant who is subscribed to the Premium Membership on the **Insured's** business and payment platform and is noted on the monthly **Member** Bordereaux provided by the **Insured** to the **Insurers**.

Money – means the digital representation of value issued against South African Rands on the **Insured's** business and payment platform. "**Money**" includes but is not limited to money, e-money, credits, tokens or vouchers issued by the Insured to a **Member** on the **Insured's** business and payment platform.

Occurrence – means an event or a series of events or continuous or repeated exposure to a set of conditions which have a specific and common originating cause or source and whether concurrently or in any sequence unexpectedly or unintentionally result in liability as insured in terms of this **Policy**.

Policy – the **schedule** and **policy**.

Period of Insurance – the duration of this **policy** as stated in the **schedule**.

Social Engineering Fraud – means a fraudulent act perpetrated by a third party (other than the **Insured** or a **Member**) in which **Fraudulent Communications** are used to deceive a **Member**, and which **Fraudulent Communication** directly caused the **Member** to:

1. voluntarily transfer, pay or authorise the transfer of **Money**; or
2. disclose login credentials, authentication credentials, security codes, passwords, one-time pins or other access information, which such third party then uses to transfer, pay or authorise the transfer of **Money** from the **Member's** account

LIMITS OF INDEMNITY

Insurers' total liability for **Claims** including all costs and expenses expended in connection therewith will not exceed the values stated in the **Schedule of Limits of Indemnity** in respect of any one **Occurrence** and where stated, in the **Annual Aggregate**.

Irrespective of the number of **Claims** or the amount claimed, the **Insurers'** total liability during the **Period of Insurance** to indemnify the **Insured** will not exceed in aggregate the **Limit of Indemnity** stated in the Schedule.

In the event of any one **Occurrence** involving more than one entity comprising the Insured, each such entity will severally be indemnified provided that the cumulative amount of Insurers' liability for all such indemnified entities will not exceed the highest single **Limit of Indemnity** in the **Schedule of Limits of Indemnity**.

Regardless of the number of premiums paid for the renewal or replacement of this **Policy**, where more than one Period of Insurance applies to an **Occurrence**, the **Limits of Indemnity** will not aggregate from one **Period of Insurance** to the next.

Should the **Limit of Indemnity** of the **Policy** be altered during the **Period of Insurance**, the original **Limit of Indemnity** will apply to any **Occurrence** prior to the date of such alteration.

The limits of indemnity apply in excess of the **Deductible**.

EXCLUSIONS

There will be no indemnity under this **Policy** arising from, based upon or attributable to:

1. Any **Claim** made or **Occurrence** which occurred prior to the retroactive date.
2. Any **Claim** made prior to the **Period of Insurance** stated in the **Schedule**.
3. For any consequential or indirect loss suffered by a **Member** including but not limited to:
 - 3.1. loss of profits;
 - 3.2. losses due to inability or failure to make payments;
 - 3.3. losses due to incorrect payments made;
 - 3.4. loss arising out of delays;
 - 3.5. loss of production;
 - 3.6. loss of supply or failure to supply;
 - 3.7. loss of opportunity to secure contracts or other business opportunities;
4. errors or omissions by the **Insured**;
5. any loss suffered by a **Member** as a result of the fraudulent, criminal or malicious acts or omissions by the Insured, the Insured's representatives or service providers.
6. fraudulent, dishonest, criminal or malicious acts or omissions committed by a **Member**
7. any actual or alleged bodily injury, sickness, mental anguish or emotional distress or disturbance, disease or death of any person howsoever caused
8. damage to or destruction of any tangible property, including loss of use any liability under any contract, agreement, guarantee or warranty assumed or accepted by the Insured except to the extent that such liability would have attached to an Insured in the absence of such contract, agreement, guarantee or warranty;
9. Any actual or alleged plagiarism or infringement of any trade secrets, patents, trademarks, trade names, copyrights, licenses or any other form of intellectual property.
10. failure, interruption, degradation or outage of any communication equipment, air conditioning, uninterrupted power supply installations, standalone generators, frequency inverter units, transformers and any other facilities that are used to maintain the functioning of electronic facilities that support computer systems and data.
11. seizure, confiscation, demand, destruction or damage to the Insured's computer system, due to the action, requirement or order of any government, regulator, court or other body acting within its lawful authority;
12. fault, defect, error or omission in design, plan or specification of the Insured's **Computer Systems** making them unfit for purpose. For the purpose of this Exclusion "**Computer Systems**" means the information technology and communications systems (including but not limited to hardware, infrastructure, software, or electronic media) used for the purpose of creating, accessing, processing, protecting, monitoring, storing, retrieving, displaying or transmitting data.
13. Any unlawful or unauthorized collection or use of personal data or client information.
14. arising out of the deliberate, conscious and intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a **Claim** or mitigate losses arising out of such **Claim**.
15. ex gratia or discretionary settlements or gestures of goodwill by the Insured including discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements;

16. Cyber

- 16.1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any **Cyber Loss** regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 16.2. Any loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Data**, including any amount pertaining to the value of such **Data** shall not be recoverable hereunder, nor be considered as physical loss or damage for the purposes of this exclusion or any other part of this Policy.
- 16.3. If the Insurers allege that by reason of this exclusion any **Cyber Loss** sustained by the Insured is not covered by this Policy, the burden of proving the contrary shall fall to the Insured.

Definitions

Cyber Loss – means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Act** or **Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act** or **Cyber Incident**.

Cyber Act – means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**, but does not include Social Engineering Fraud.

Cyber Incident – means:

- i. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
- ii. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.

Computer System – means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **Data** storage device, networking equipment or back up facility.

Data means – information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

Insurers will not indemnify and Insurers will not be liable to pay any claim or provide any benefit hereunder where the indemnity, claim payment or provision of such benefit is contrary to the prohibitions, restrictions, trade or economic sanctions under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or South Africa or other sanctions applicable to the Insurers or its Reinsurers, irrespective of enactment in the jurisdiction where indemnity or benefit is provided or payment made.

CONDITIONS

1. Misrepresentation, misdescription or non-disclosure in any material manner shall render this Policy voidable at the sole discretion of the Insurer, including any material misrepresentation or non-disclosure relating to the Insured's fraud prevention controls, member verification processes, cyber security protocols or communication security procedures.
2. The Insured must notify the Insurers in writing as soon as reasonably possible, but in any event during the **Period of Insurance**, if:
 - 2.1 a **Claim** is made against the Insured; or
 - 2.2 the **Insured** becomes aware of any fact, circumstance or event which in the reasoned opinion of the **Insured** could give rise to a **Claim** at any future time.
3. The Insured must maintain accurate records of its **Members** and shall report the number of **Members** to the **Insurers** in the manner and frequency set out in Condition 13. The **Insurers** reserve the right to audit such records on reasonable notice. Failure to accurately report **Member** numbers may result in adjustment of premium and/or limitation of indemnity.
4. The **Insured** shall, at the expense of the **Insurers**, do and permit to be done all such things as may be necessary or reasonably required by the **Insurers** for the purpose of enforcing any rights to which the **Insurers** shall be or would become subrogated upon indemnification of the Insured, whether such things shall be required before or after such indemnification.
5. It is a condition precedent to indemnity under this **Policy** that the **Insured** will:
 - 5.1 take reasonable steps to identify and request the removal of fraudulent or impersonated online content purporting to originate from the Insured;
 - 5.2 implement reasonable member-facing warnings and fraud awareness communications; and
 - 5.3 maintain reasonable technical or procedural measures linking Member accounts to verified contact details.
6. This **Policy** may be cancelled or amended at any time by the Insurers giving thirty (30) days' notice in writing (or such other period as may be mutually agreed) or by the Insured giving immediate notice. Within 7 (seven) days of cancellation of the **Policy**, the Insured will provide Insurers with a Member Bordereaux setting out the information of Members on the last day on which this **Policy** was in effect. Payment of the premium due in terms of such **Member** Bordereaux must be made within 15 days of the cancellation of the Policy
7. For purposes of determining the indemnity granted by this **Policy**, any word or phrase within the **Policy** requiring and being capable of legal interpretation shall be interpreted in accordance with the laws of the Republic of South Africa.
8. Neither this **Policy** nor any benefit, interest or right in this **Policy** or to any proceeds of the **Policy** may be ceded without the prior written consent of the Insurer.
9. The **Insurers** may at any time pay to the **Insured** in connection with any **Claim** or series of **Claims** under the **Policy** the appropriate **Limit of Indemnity** after deduction of sums already paid or any lesser amount for which such claim can be settled, plus costs and expenses incurred prior to the date of such payment, provided that the total amount so payable including such costs and expenses will not exceed the **Limit of Indemnity**. Upon payment being made the Insurers will relinquish the conduct and control of and be under no further liability to the Insured in connection with such claims including reimbursement of **Members** by the Insured

10. This **Policy** does not indemnify loss arising from a **Member's** failure to follow reasonable verification procedures implemented by the **Insured** and communicated to **Members**, where such failure materially contributes to the loss.
11. The **Insured** will notify the **Insurers** as soon as reasonably practicable after becoming aware of any actual or suspected **Social Engineering Fraud**, and will provide all information reasonably required to investigate the circumstances, cause and quantum of the loss. Failure to provide timely notice may result in denial or reduction of indemnity to the extent that such failure prejudices the Insurers. Whenever this **Policy** provides for notice to be given to the Insurers, such notice shall be given to:

Santam Limited

P.O. Box 55347, Northlands, 2116

The Pavilion Building, Wanderers Office Park, 52 Corlett Drive, Illovo, 2196

Telephone: + 27 11 731 3600

12. Premium Payment

- 12.1 Indemnity under this **Policy** is conditional upon payment of the premium and receipt thereof by the Insurer as per Conditions 12.2 and 12.3 below. The premium is payable by the Insured to the Insurer on a monthly basis.
- 12.2 The monthly premium will be calculated per the monthly Member Bordereaux provided by the Insured to the Insurers in accordance with clause 13 below.
- 12.3 The monthly instalment shall be payable in arrears to Insurers within 15 (fifteen) days of the beginning of each month.
- 12.4 In the event of the non-payment of any premium due, this **Policy** shall continue in full force and effect until the due date of the next monthly premium payment ("**Monthly Grace Period**") to allow for payment of the missed instalment. Should the premium remain unpaid after the expiry of the Monthly Grace Period, this **Policy** shall be deemed to be cancelled on the last day of the last month for which an instalment was received by Insurers.
- 12.4.1 Reinstatement of this **Policy** is at the sole discretion of the Insurers.
- 12.4.2 In the event of notification of any claim against the Insured or any **Occurrence** occurring during the **Monthly Grace Period**, **Insurers** reserve the right to cease all activity on such claim and any outstanding matters will then become the responsibility of the Insured. The Insured will be required to first settle the outstanding premium before the claim can be processed.
- 12.4.3 There is no **Monthly Grace Period** applicable to the first monthly instalment.

13. Member Bordereaux

- 13.1 The Insured will provide the Insurer with a **Member** Bordereaux on a monthly basis which will set out the details of all Members who were subscribed on the Insured's business and payment platform during the course of the month in respect of which the bordereaux is issued
- 13.2 The **Member** Bordereaux must be provided to the Insurers within 7 (seven) days of the commencement of each calendar month and will contain the following information:
- 13.2.1 Bordereaux Number;
- 13.2.2 Month of the Account;
- 13.2.3 Period of Insurance;
- 13.2.4 Insured's policy number
- 13.2.5 Member's full names;
- 13.2.6 Business name;
- 13.2.7 Member ID number; and
- 13.2.8 Member contact number.