



# ENVIRONMENTAL LIABILITY

## GENERAL TERMS AND CONDITIONS

003-2017

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\*The captions contained in this Table of Contents are included solely for the convenience of the reader and do not include all the terms, exclusions and conditions of the Policy. Refer to the Policy itself for a description of the scope and limitations of coverage.

# ENVIROPRO POLICY

## NOTICE

The following Notice is incorporated in and made a part of this Policy:

This is a claims made and reported policy.

The Policy is effective only when the accompanying Schedule is signed by an authorised representative of Colonnade Insurance S.A. (Branch Office in Hungary). This Policy Schedule and Application and any endorsement attached hereto or marked thereon shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout. This Policy and any Schedule or endorsement attached hereto or marked thereon supersedes any previous statement, promise or representation by the parties relating to the agreement or to its subject matter.

## 1. INSURANCE COVERAGE

Subject to all provisions, terms, conditions and exclusions of this Policy the total of all payments made shall be in excess of any applicable Deductible and shall erode the **Limit of Liability**. Payments shall be afforded solely with respect to **Claims** or **Loss** arising from **Pollution Conditions** that originated after the earlier of either the **Inception Date** or the **Retroactive Date**, and first made against an **Insured** and reported to the **Insurer** in writing as soon as possible once the **Insured** becomes aware of such during the **Policy Period**, or during the **Extended Reporting Period**, if applicable as required by this Policy.

The **Insurer** will indemnify the **Insured** against all unexpected and unintended **Loss** that the **Insured** shall become legally obligated to pay as a result of **Claims** or **Loss** arising from:

- A. **On-Site Clean-Up Costs** that the **Insured** becomes legally obligated to pay which are caused by **Pollution Conditions** on or under the **Insured Property**;
- B. **Bodily Injury** or **Property Damage** caused by **Pollution Conditions** whether they are **On-Site** or **Off-Site**;
- C. **Off-Site Clean-Up Costs** arising from the migration of **On-Site Pollution Conditions**.

*Furthermore the **Insurer** will pay the **Insured** the **Property Damage** suffered and **On-site Clean-Up Costs** which occurred on the **Insured Property** and arising from a **Pollution Condition** on or under the **Insured Property**.*

## 2. DEFINITIONS

### 1. **Biodiversity Damage**

means actual physical damage to or destruction of water, land or protected species or natural habitats for which the Insured is legally responsible has been incurred by the Insured under European Union Directive 2004/35/EC on environmental liability and/or any equivalent local legislation.

For the avoidance of doubt **Biodiversity Damage** includes Primary Remediation, Complementary Remediation and Compensatory Remediation, although cover for Compensatory Remediation and Complementary Remediation to the extent of **Limit of Liability**.

Primary Remediation means any remedial measure, which returns the damaged natural resources and/or impaired services to, or towards, baseline condition

Complementary Remediation means any remedial measure taken in relation to natural resources and/or services to compensate for the fact that primary remediation does not result in fully restoring the damaged natural resources and/or services.

Compensatory Remediation means any action taken to compensate for Interim Losses of natural resources and/or services to other natural resources and/or services that occur from the date of damage occurring until primary remediation has achieved its full effect.

Interim Losses means losses which result from the fact that the damaged natural resources and/or services are not able to perform their ecological functions or provide services to other natural resources or to the public until the primary or complementary measures have taken effect. It does not consist of financial compensation to members of the public.

## 2. Personal Injury

means physical injury, or sickness, disease, mental anguish or emotional distress sustained by any person, including death resulting therefrom.

## 3. Claim

means a written demand, notice or other written communication received by the **Insured** seeking a remedy and alleging liability or responsibility on the part of the **Insured** for **Pollution Conditions** and/or **Loss**. **Claim** also includes **Legal Proceedings**.

## 4. Clean-Up Costs

means reasonable and necessary expenses, including legal expenses incurred with the Insurer's prior written consent, which consent shall not be unreasonably withheld or delayed, for the investigation, removal, remediation including associated monitoring, or disposal of soil, surfacewater, groundwater or other contamination:

- i. to the extent required by **Environmental Laws**;
- ii. that have been actually incurred by any governmental or statutory body or agency, or by **Third Parties**;

**Clean-Up Costs** includes **Restoration Costs**.

## 5. Defence Costs

means reasonable and necessary legal fees, costs and expenses incurred by or on behalf of the **Insured** with the prior written consent of the **Insurer** in the investigation, defence, adjustment, settlement or appeal of any **Claim**. **Defence Costs**, charges and expenses are included in **Loss** and reduce the **Limit of Liability** and are applicable Deductible.

## 6. Employee

means any natural person who is or has been engaged by the **Policyholder** to work for compensation. **Employee** shall not mean any: (i) principal, partner or director; (ii) temporary contract labour, self employed person or labour-only sub-contractor.

## 7. Environmental Laws

means any statute, statutory instrument, by-law, regulation, guidance or standards having the force of law, or any notice, order, instruction or judgment of any governmental or statutory body or agency or court concerning health and safety or environmental matters that are applicable to **Pollution Conditions**.

## 8. Extended Reporting Period

means the additional period of time, if applicable, in which to report **Claims** or **Loss** following cancellation or expiration of coverage under this Policy.

## 9. Inception Date

means the date of inception of this Policy as set forth in the Policy Schedule.

**10. Insured**

means the **Policyholder** as well as:

- i. any past or present principal, partner or director of the **Policyholder** while acting within the scope of their duties as such;
- ii. any **Employee** while acting within the scope of their duties as such;
- iii. any temporary contract labour, self-employed persons, labour-only sub-contractors, solely working for and under the direction and direct supervision of the **Policyholder**.

**11. Insured Contract**

means a contract or agreement submitted to and approved by the **Insurer** and listed specifically on an endorsement to this Policy.

**12. Insured Property**

means only the locations specifically identified in the Policy Schedule.

**13. Insurer**

means: The insurance coverage is provided by Colonnade Insurance S.A. The company has been registered in Luxembourg by the Registre de Commerce at des Sociétés, Luxembourg, register number: B 61605. Registered seat: 1, rue Jean Piret, L-2350 Luxembourg. The registered address of Colonnade Insurance S.A. Branch Office in Hungary is H-1139 Budapest, Váci út 99., and it is registered at the Registrar of Companies of the Metropolitan Tribunal of Budapest under company registration number 01-17-000942. Telephone number: +36 1 460 1400. Colonnade Insurance S.A. operates under the license of Grand-Duché de Luxembourg, Minister des Finances, Commissariat aux Assurances (L-1840 Luxembourg, Bureaux: 7, Boulevard Joseph II).

**14. Limit of Liability**

means the amount specified in the Policy Schedule.

**15. Legal Proceedings**

mean litigation, arbitration, mediation, adjudication or any other process of dispute resolution.

**16. Loss**

means **Pollution Conditions** resulting in any of the following:

- i. any amount that an **Insured** shall be legally liable to pay to a **Third Party** in respect of judgments or arbitral awards rendered against an **Insured**, or for settlements negotiated by the **Insurer** with the consent of the **Insured**;
- ii. **Clean-Up Costs**;
- iii. **Defence Costs**;
- iv. **Mitigation Expenses**;
- v. **Biodiversity Damage**

**17. Microbial Matter**

means fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including but not limited to, mould, mildew or viruses, whether or not such **Microbial Matter** is living.

**18. Mitigation Expenses** means:

- i. those expenses due to measures the **Insurer** has specifically directed the **Insured** to perform in order to avoid or mitigate the effects of **Pollution Conditions** which may give rise to a **Claim**;
- ii. those expenses resulting from reasonable measures taken at the sole initiative of the **Insured** in good faith, either to avoid **Pollution Conditions** which may give rise to a **Claim** or in order to avoid or reduce any consequences thereof, in as much as these measures are **Urgent**.

**Mitigation Expenses** do not include any capital improvement or betterment expenses (including researching

development).

**19. Off-Site**

means outside the boundaries of the **Insured Property**.

**20. On-Site**

means within the boundaries of the **Insured Property**.

**21. Policy Period**

means the period set forth in the Policy Schedule, or any shorter period arising as a result of cancellation.

**22. Policyholder**

means the first person or first entity listed in the Policy Schedule.

**23. Pollution Conditions**

means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials in or on land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment in the amounts or concentrations discovered. **Pollution Conditions** do not include **Microbial Matter**.

**24. Property Damage** means

- i. physical injury to or destruction of any **Third Party's** tangible property, including the resulting use and diminution in value thereof. However, **Property Damage** does not include diminution in value of a **Third Party's** tangible property that was at any time leased, rented, occupied or loaned to the **Insured**;
- ii. loss of use, but not diminution in value, of a **Third party's** tangible property that has not been physically injured or destroyed;
- iii. **Biodiversity Damage**;

**Property Damage** does not include any **Clean-Up Costs**.

**25. Responsible Insured** means any:

- i. director, officer, partner, manager or supervisor of the **Insured**;
- ii. control or compliance officer, or any manager of the **Insured Property**.

**26. Restoration Costs**

means reasonable and necessary costs incurred by the **Insured** with the **Insurer's** prior written consent, which consent shall not be unreasonably withheld or delayed, to repair, replace or restore real or personal property to substantially the same condition it was in prior to being damaged during work performed in the course of incurring **Clean-Up Costs**. However, such **Restoration Costs** shall not exceed the net present value of such property prior to incurring **Clean-Up Costs**. **Restoration Costs** do not include costs associated with improvements or betterments.

**27. Retroactive Date**

means the first date after which **Pollution Conditions** giving rise to **Loss** would be covered under this Policy. If no **Retroactive Date** is specified in the Policy Schedule, then this Policy's **Inception Date** applies.

**28. Third Party**

means non-Insured.

**29. Underground Storage Tank**

means any tank that has at least ten (10) percent of its volume below ground including any connected, associated or



any underground piping to the tank.

### 30. Urgent

means actions which pose an imminent danger of a **Pollution Condition** for which the **Insured** has no choice but to take immediate action, without having the possibility of obtaining the **Insurer's** prior written consent

## 3. EXCLUSIONS

The Insurer shall have no liability under this Policy in connection with any Claim or Loss:

### 1. Abandoned Property

arising from Pollution Conditions on, under or originating from the Insured Property and which commence subsequent to the time the Insured Property is abandoned, sold, given away, or operational control is relinquished;

### 2. Asbestos & Lead

arising from asbestos or any asbestos-containing materials or lead-based paint installed or applied in, on or to any building or other structure. This exclusion does not apply to Claims for Clean-Up Costs for the remediation of soil and groundwater;

### 3. Contractual Liability

arising from liability of others assumed by the Insured under any contract or agreement or contractual obligations that are stricter than the existing legal liability, unless the liability of the Insured would have attached in the absence of such contract or agreement or the contract or agreement is an Insured Contract;

### 4. Employer Liability

- i. arising from Bodily Injury sustained by an Employee which arises out of and in the course of their employment;
- ii. imposed by the provisions of any:
  - a. workers' compensation legislation or under any similar legislation; or
  - b. accident compensation legislation or under any similar legislation;
- iii. for any obligation for which the Insured may be held liable under any Worker's Compensation Law or under any similar law;

This exclusion applies whether the Insured is liable as an employer or in any other capacity and to any obligation to share Loss with or repay Third Parties who must pay Loss arising from such Bodily Injury;

### 5. Expected or Unintended

arising out of:

- i. Pollution Conditions that are expected or intended from the standpoint of the Insured;
- ii. the Insured's failure to:
  - 1. make good or remedy any defect or danger or take such additional precautions as may be required as soon as possible after discovery of any Pollution Conditions;
  - 2. implement any remedial measures reasonably likely to, necessary for or required to prevent or avoid any matter resulting in Pollution Conditions;
  - 3. take reasonable steps, to use, maintain and upgrade their facility operations;

### 6. Fines & Penalties

arising out of:

- i. fines, penalties (civil or criminal), liquidated, punitive, aggravated or exemplary damages;
- ii. taxes;
- iii. non-pecuniary relief;

iv. matters which may be deemed uninsurable under the law pursuant to which this Policy shall be construed;

**7. Underground Storage Tank**

arising from Pollution Conditions resulting from an Underground Storage Tank located on the Insured Property unless such Underground Storage Tank is scheduled on the Policy by endorsement;

**8. Intentional Noncompliance**

arising from Pollution Conditions based upon or attributable to any Responsible Insured's intentional, willful act or omission; or any deliberate non-compliance with any statute, statutory instruments, by-laws, regulation, guidance or standards having the force of law or notice of violation, notice letter, executive order, or instruction of any governmental or statutory agency or body;

**9. Internal Expenses**

for costs, charges or expenses incurred by the Insured for goods supplied or services performed by any Insured, except if in the sole opinion of the Insurer such costs, charges or expenses have been incurred in response to any emergency or pursuant to Environmental Laws that require immediate remediation of Pollution Conditions, or unless such costs, charges or expenses are incurred with the prior written approval of the Insurer;

**10. Insured vs. Insured**

by any Insured against any other person or entity who is also an Insured under this Policy. This exclusion does not apply to Claims initiated by Third Parties or Claims that arise out of an indemnification given by one Insured to another Insured pursuant to an Insured Contract;

**11. Material Change In Use**

arising from a change in operations (change, increase or decrease in the scope of activity) at an Insured Property during the Policy Period that results in more stringent remediation standards than those imposed on the Insured Property at the Inception Date will be considered material.

**12. Prior Knowledge/Non-Disclosure**

arising from Pollution Conditions existing prior to the Inception Date and known by a Responsible Insured and not disclosed in the application for this Policy, or any previous policy for which this Policy is a renewal thereof;

**13. Products Liability**

arising from the Insured's Products;

For purposes of this Policy Insured's Products means goods or products manufactured, sold, handled or distributed by the Insured or others trading under the Insured's name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions;

**14. War & Terrorism**

arising out of, based upon or attributable to any war (declared or otherwise), terrorism, warlike, military, terrorist or guerrilla activity, sabotage, force of arms, hostilities (declared or undeclared), rebellion, revolution, civil disorder, insurrection, usurped power, confiscation, nationalization or destruction of or damage to property by or under the order of, any governmental, public or local authority or any other political or terrorist organization;

**15. Transportation**

arising out of Pollution Conditions that result from the maintenance, use, operation, loading or unloading of any owned, leased or rented:

- i. land motor vehicle, trailer or semi-trailer licensed for travel on public roads, including any machinery or apparatus



- attached thereto;  
ii. aircraft, watercraft or rolling stock

beyond the boundaries of the Insured Property.

**16. Exclusions related to sanctions and commercial embargos**

The Insurer shall not assume any payment obligation with respect to any damage otherwise covered by the Insurance Contract and its extensions if:

- the Insured or the beneficiary is the national or a government agency of a country against which the laws and/or other regulations determining the present insurance coverage and/or the Insurer, its parent company or the operation of the company that has an influence ensuring qualified majority in the Insurer, have introduced an embargo or another economic sanction that prohibits the Insurer from entering into insurance transactions or providing other economic benefits to the Insured or any other beneficiary.

Furthermore, no payments shall be made to the beneficiary/beneficiaries to whom/which no economic benefits shall be provided in accordance with the laws and/or other regulations pertaining to the Insurer, its parent company or the company having influence that ensures qualified majority in the Insurer.

## 4. NOTICE REQUIREMENTS AND CLAIM PROVISIONS

The **Policyholder** shall, as a condition precedent to the obligations of the **Insurer** under this Policy, give written notice to the **Insurer** of any **Pollution Condition, Claim** or **Loss** first made against the **Insured** as soon as practicable and during the **Policy Period**, or **Extended Reporting Period** if applicable. All notifications must be in writing or by e-mail, and addressed to:

*Colonnade Insurance S.A. Branch Office in Hungary  
1426 Budapest  
Pf. 153.*

or via e-mail:  
*e-mail: [vagyonkar@colonnade.hu](mailto:vagyonkar@colonnade.hu)*

or other address(es) as substituted by the **Insurer** in writing.

If posted, the date of posting shall constitute the date that notice was given, and proof of posting shall be sufficient proof of notice.

## 5. COOPERATION, DEFENCE AND SETTLEMENT IN THE EVENT OF POLLUTION CONDITIONS

**A.** The **Insured** will at their own cost: (i) render all reasonable assistance to the **Insurer** and co-operate in the defense of any **Claim** or **Loss** and the assertion of indemnification and contribution rights; (ii) use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any **Claim** or **Loss** under this Policy; give such information and assistance to the **Insurer** as the **Insurer** may reasonably require to enable it to investigate any **Claim** or **Loss** or determine the Insurers' liability under this Policy;

**B.** The **Insured** has the duty to Clean-Up **Pollution Conditions** to the extent required by **Environmental Laws**, by retaining competent professional(s) or contractor(s) mutually acceptable to the **Insurer** and the **Insured**. The **Insured** shall notify the **Insurer** of all actions and measures taken pursuant to this paragraph;

- C. The **Insurer** shall have the right but not the duty to defend any **Claim** or **Loss** covered under this Policy, and the **Insured** shall defend and contest any **Claim** or **Loss** made against them unless the **Insurer**, at its sole and absolute discretion, elects in writing to take over and conduct the defense and settlement of any **Claim** or **Loss**. If the **Insurer** does not so elect, it shall be entitled, but not required, to participate fully in such defense and the negotiation of any settlement that involves or appears reasonably likely to involve the **Insurer**. Whenever considering the legal rules the **Insurer** has the right at any time after notification of a **Claim** or **Loss** to make payment to the **Insured** of the unpaid balance of the Limit of Liability, and upon making such payment, all obligations of the Insurer to the **Insured** under this Policy, including, if any, those relating to defense, shall cease;
- D. As a condition precedent to cover under this Policy, no **Insured** shall admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, judgments and **Defense Costs** consented by the **Insurer**, and judgments resulting from **Claims** or **Losses** defended in accordance with this Policy, shall be recoverable under this Policy. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to exercise all of its rights under the Policy;
- E. As a condition precedent to cover under this Policy, the **Insured** must submit all **Mitigation Expense** documentation in writing to the **Insurer** for review and approval. Only those **Mitigation Expenses** validated by the Insurer as appropriate in their sole discretion shall be reimbursed subject to the Limit of Liability of this policy;
- F. The **Insurer** may make any settlement of any **Claim** or **Loss**, subject to such **Insured's** written consent. If any **Insured** withholds consent to such settlement, the **Insurer's** liability for all **Loss** on account of such **Claim** or **Loss** shall not exceed the amount for which the **Insurer** could have settled such **Claim** or **Loss**, plus **Defense Costs** incurred as of the date of such settlement was first proposed in writing by the **Insurer**, less any coinsurance (if any) and the applicable Deductible.

## 6. LIMIT OF LIABILITY AND DEDUCTIBLE

The following Limit of Liability Section shall apply irrespective of the number of **Claims**, claimants, **Pollution Conditions**, **Losses** or **Insureds** under this Policy:

### A. Policy Aggregate Limit

The **Insurer's** total liability for all **Loss** shall not exceed the "Policy Aggregate" shown in the Policy Schedule.

If the **Insured** comprises more than one party, the **Insurer** will provide indemnity to each in the same manner and to our same extent as if a separate policy had been issued to each; provided that the **Insurer's** total liability for liability sustained by any or all of the **Insured's** combined shall not exceed the **Limit of Liability** stated in the Policy Schedule.

If notice of a **Claim** or **Loss** against an **Insured** is given to the **Insurer** pursuant to the terms and conditions of this Policy, then: (i) any subsequent **Claim** or **Loss** alleging, arising out of, based upon or attributable to the facts alleged in that previously noticed **Claim** or **Loss**; and (ii) any subsequent **Claim** or **Loss** alleging any **Loss** which is the same as or related to any **Loss** alleged in that previously noticed **Claim** or **Loss**, shall be considered made against the **Insured** and reported to the **Insurer** at the time notice was first given. Any **Claim** or **Loss** arising out of, based upon or attributable to (i) the same cause, or (ii) a single **Loss**, or (iii) a series of continuous, repeated or related **Loss**, shall be considered a single **Loss** for the purposes of this Policy.

### B. Deductible

This Policy will pay covered **Loss** in excess of the Deductible amount stated in the Policy Schedule. The Deductible amount applies to all **Loss** including **Defence Costs** arising from the same, related or continuous **Pollution Conditions**.

The **Insured** shall within 8 days reimburse the Insurer for advancing any element of **Loss** falling within the Deductible.

## 7. CONDITIONS

- A. Representations** - By accepting this Policy the **Insured** agrees that:
- i. the statements in the proposal, submission, and any attachments are accurate and complete and acknowledges that the Insurer has issued this Policy in reliance upon those representations.
  - ii. the due observance of the terms of this Policy by all **Insureds** in so far as they relate to anything to be done or complied with are conditions precedent to any liability of the **Insurer** with consider to the legal rules.
- B. Assignment** - This Policy and any rights hereunder cannot be assigned without the written consent of the **Insurer**, which consent shall not be unreasonably withheld or delayed.
- C. Changes** - This Policy can be changed only by a written endorsement that the **Insurer** makes to this Policy.
- D. Policy Period and the cancellation** – The insurance contract may be concluded either for a defined or an undefined period.

The insurance contract concluded for a defined period ceases automatically at the end of such period but the **Insurer** and the **Policyholder** agrees in writing on renewal before the end of the period. With one sided statement the renewal is not possible, for being valid it is necessary to have the common, expressed and written will off the **Insurer** and the **Policyholder**. Without this the contract ceases at the end of the period.

If the insurance contract is concluded for an undefined period the period the contract is 12 (twelve) months. In case the contract is not cancelled by any of the parties at the end of the period, a new period of 12 months begins automatically. The anniversary date is the inception day of the contract unless otherwise specified on the schedule.

If the insurance contract is concluded for an undefined period, it might be cancelled in writing as of the date of expiry of the period or renewal. Cancellation period is thirty days.

The policy may be cancelled by the **Policyholder** by mailing written prior notice to the Insurer or by surrender of this Policy to the **Insurer** or its authorized agent including the date of cancellation.

The policy may be cancelled by the **Insurer** delivering to the **Policyholder** to its address concluded into the contract by post mail or other written form and in case of postal mailing it should be considered as delivered on the second day after posting. The cancellation is void if it was made within 30 days before the policy period ends.

The insurance contract concluded for a defined period can't be cancelled by the **Insured** and the **Policyholder** either.

- E. Other Insurance** – Where other insurance may be available for **Loss** covered under this Policy, the **Insured** shall promptly upon the request of the **Insurer** provide the **Insurer** with copies of all such policies. If other valid and collectible insurance, self-insurance programme or any equivalent policy irrespective of the amount thereof is available to the **Insured** for **Loss** covered by this Policy, the **Insurer** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of liability to the total applicable limits of liability of all insurers.
- F. Right of Access and Inspection** – To the extent that the **Insured** has such rights, any of the **Insurer's** authorized representatives shall have the right and opportunity but not the obligation to interview any **Insured** and to inspect at any reasonable time, during the **Policy Period** or thereafter, the **Insured Property**. Neither the **Insurer** nor its representatives shall assume any responsibility or duty to the **Insured** or to any other party, person or entity, by reason of such right or inspection. Neither the **Insurer's** right to make inspections, sample and monitor, nor the actual undertaking thereof nor any report thereon shall constitute an undertaking on behalf of the **Insured** or others, to determine or warrant that the **Insured Property** or operations are safe, healthful or conform to acceptable engineering practices or are in compliance with any **Environmental Law** or any other law, rule or regulation. The **Policyholder** agrees

at their own cost to provide appropriate personnel and any other resources to assist the Insurer's representatives during any inspection.

- G. Access to Information** - The **Policyholder** agrees to provide the **Insurer** with access to any information developed or discovered by the **Insured** concerning **Loss** covered under this Policy, whether or not deemed by the **Insured** to be relevant to such **Loss** and to provide the **Insurer** access to interview any **Insured** and review any documents of the **Insured**.
- H. Jurisdiction & Governing Law**- Any interpretation of this Policy relating to its construction, validity or operation shall be made in accordance with the Laws of Hungary or the law applicable signed on the Schedule.
- I. Dispute Resolution Jurisdiction** – All disputes or differences concerning the construction or interpretation of the provisions of this Policy, whether arising before or after termination of this Policy, shall be submitted to arbitration in Finland according to the prevailing Arbitration Rules of the Central Chamber of Commerce of Finland. The language to be used in the arbitration proceedings shall be English. The arbitration shall be conducted by a panel of three arbitrators having knowledge of the legal and insurance issues relevant to matters in dispute. The **Insurer** and the **Policyholder** shall each name one arbitrator and the third shall be appointed by the Arbitration Institute. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the arbitrators shall not be asked to, and shall not award attorneys' fees or other costs. The costs of the arbitrators, mediators and any arbitration fees will be borne equally by the **Insurer** on the one hand and the relevant **Insureds** on the other. Otherwise, each party shall bear its own costs of arbitration. In the event that separate disputes arise between the **Insurer** and several **Insureds** on related matters, these shall be resolved together or consecutively as the arbitrators or mediator shall consider appropriate.
- J. Acknowledgment of Shared Limits** – By acceptance of this Policy, the **Policyholder** understands, agrees and acknowledges that the Policy contains a Policy Aggregate Limit that is applicable to, and will be shared by, all **Insureds** who are or may become covered hereunder. In view of the operation and nature of this shared Policy Aggregate Limit, the **Policyholders** and all other **Insureds** understand and agree that prior to filing a **Claim** under the Policy, the Policy Aggregate Limit may be exhausted or reduced by prior payments for other **Claims** under the Policy.
- K. Bankruptcy or Insolvency** - The **Policyholder's** bankruptcy, insolvency or inability to pay the Deductible or the bankruptcy, insolvency or inability to pay of any of the underlying insurers will not relieve the **Insurer** from the payment of the **Loss** covered by this Policy. But under no circumstances will such bankruptcy, insolvency or inability to pay require the **Insurer** to drop down, replace or assume any obligation under any primary insurance.
- L. Reasonable Care** - The **Insured** shall take all reasonable care to prevent injury or **Loss** or damage and to maintain the premises, plant and all other business assets in good repair, and to comply with all statutory obligations and regulations.
- M. Extended Reporting Periods** - If the **Insurer** cancels or does not renew this Policy, other than for non-payment of Premium or any breach of the terms of this Policy by an **Insured**, the **Policyholder** shall have the right to a period of 60 days following the date of cancellation or expiration in which to give notice of any covered **Loss** arising from **Pollution Conditions** that commenced before the end of the **Policy Period**. The **Extended Reporting Period** shall not apply if this Policy or its cover has been replaced. However with additional premium the **Policyholder** and the **Insurer** shall have the right to agree on a different **Extended Reporting Period** including on the Schedule.
- N. Administration**- The **Policyholder** has acted and shall act on behalf of each and every **Insured** with respect to: (1) negotiating terms and conditions of, binding and amending cover; (2) exercising rights of **Insureds**; (3) notices; (4) Premiums; (5) endorsements; (6) dispute resolution; and (7) payments to any **Insured**.
- O. Plurals, Headings and Titles**- The descriptions in the headings and titles of this Policy are solely for reference and convenience and do not lead any meaning to this contract. Words and expressions in the singular shall include the plural

and vice versa. In this Policy, words in **bold** typeface have special meaning and are defined. Words that are not specifically defined in this Policy have the meaning normally attributed to them.

**P. Lapse**- Any claim arising under this contract shall lapse within two years of the due date.

**Q. Premium payment** - The insurance premium under this contract is due on the day of **Inception Date**. If the contract is renewed - and the Schedule does not state otherwise - the premium is due on the date of renewal with a precondition of getting an invoice by the **Policyholder**.

Should the Contracting Party fail to settle the insurance premium (or the instalment if the parties agreed that the premium shall be paid in instalments) on or before the due date, the Insurer shall be entitled to request payment in writing, by granting a 30-day grace period and also warning the Contracting Party to the consequences of non-payment. The Insurance Contract shall terminate retroactively with effect of the original due date if the grace period expires without the Contracting Party settling the Insurance Premium, unless the Insurer takes legal action as to the enforcement of its claim before court without delay. Should the Contracting Party fail to pay the due Insurance Premium (premium instalment) and the Insurer fail to send its request of payment as stated above, the contract shall terminate at the end of the insurance period.

In respect of the present Insurance Contract the Insurance Premium is considered to be continuous in the following cases:

- any premium under an insurance contract concluded for indefinite period which is due for a Contract period other than the first, or is not the first instalment within the first period,
- any premium instalment within the Contract period other than the first in case the insurance contract is concluded for a definite period and the premium is paid in instalments.

In case the due insurance premium is paid only in part and the Insurer, in conformity with the above, notifies the Contracting Party to complete the payment but such notification has no result, the Insurance Contract shall continue with unchanged sum insured for a period in proportion with the premium paid.

Should the Insurance contract terminate due to non-payment of the continuous insurance premium in accordance with above, the Contracting Party shall be entitled to request the Insurer to reactivate the insurance coverage within one hundred and twenty days from the date of termination of the Insurance Contract. The Insurer may reactivate the insurance coverage under the terms and conditions of the terminated contract on condition that the formerly due insurance premium is paid.

### **Disputes and complaints handling**

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

Should any complaint arise with regard to the services or the fulfilment of the insurance contract, we undertake the obligation to inform our client on the right to submit a complaint in writing to **the General Manager of Colonnade Insurance S.A. Hungarian Branch Office** (hereinafter referred to as the Insurance Company) via post, e-mail or facsimile (postal address: 153 Pf. , Budapest, H-1426, Hungary, facsimile: +36 1 461499; e-mail address: info@colonnade.hu) and in person or via telephone at the Customer Service of the Insurance Company during opening hours (address: 99 Váci út, Budapest, H-1139, Hungary; telephone number: +36 1 4601400).

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

In case of the rejection of the complaint or if the 30-day period for the examination of the complaint prescribed by law as the deadline for response ends abortively, the client not qualifying as a consumer shall be entitled to challenge the inadmissible decision of Colonnade Insurance S.A. Hungarian Branch Office (99 Váci út, Budapest, H-1139 Hungary) before **the court**. In this case, the civil action shall be brought before the competent Hungarian court against Colonnade Insurance

S.A. Hungarian Branch Office (99 Váci út, Budapest, H-1139, Hungary).

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

### **Information on professional secrecy and personal data management**

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

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

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

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

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

### **Insurance secrets may only be disclosed to third parties:**

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

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

- a) the Authority in exercising its designated functions;
- b) the investigating authority and the public prosecutor's office after ordering the investigation;
- c) the court of law in connection with criminal cases, civil actions or non-contentious proceedings, and administrative actions, including the experts appointed by the court, and the independent court bailiff, the administrator acting in bankruptcy proceedings, the temporary administrator, extraordinary administrator, liquidator acting in liquidation proceedings in connection with a case of judicial enforcement, the principal creditor in debt consolidation procedures of natural persons, the Családi Csődvédelmi Szolgálat (Family Bankruptcy Protection Service), the family administrator, the court;
- d) notaries public, including the experts they have appointed, in connection with probate cases;
- e) the tax authority in the cases referred to in Subsection (2); the national security service when acting in an official capacity,
- g) the Gazdasági Versenyhivatal (Hungarian Competition Authority) acting in an official capacity;
- h) guardians acting in an official capacity,
- i) the government body in charge of the healthcare system in the case defined in Subsection (2) of Section 108 of Act



CLIV of 1997 on Health Care;

- j) bodies authorized to use secret service means and to conduct covert investigations if the conditions prescribed in specific other act are provided for;
- k) the reinsurer and in case of co-insurance, the insurers underwriting the risk,
- l) with respect to data transmitted as governed by law, the bureau of insurance policy records maintaining the central policy records, the claims registry body operating the central claims history register, furthermore, the national transport authority and the Central Office for Administrative and Electronic Public Services in respect of any official affairs related to road traffic management tasks concerning motor vehicles not covered by the register [while upon receipt of a written request from a body or person referred to in Paragraphs a)-j), n) and s) of Subsection (1) of Section 138 of the Insurance Act indicating the name of the client or the description of the insurance contract, the type of data requested and the purpose of and the grounds for requesting data, with the exception that the bodies or persons referred to in Paragraphs p)-s) are required to indicate only the type of data requested and the purpose and grounds for requesting it. An indication of the statutory provision granting authorization for requesting data shall be treated as verification of the purpose and legal grounds.
- m) the receiving insurance company with respect to insurance contracts conveyed under a portfolio transfer arrangement, as provided for by the relevant agreement;
- n) with respect to the information required for settlement and for the enforcement of compensation claims, and also for the conveyance of these among one another, the body operating the Compensation Fund and/or the Claims Guarantee Fund, the National Bureau, the correspondent, the Information Centre, the Claims Organization, claims representatives and claims adjustment representatives, or the responsible party if wishing to access - in exercising the right of self-determination - the particulars of the other vehicle that was involved in the accident from the accident report for the purpose of settlement;
- o) the outsourcing service provider with respect to data supplied under outsourcing contracts; the tax auditor in respect to data supplied under tax audit agreements [while, upon receipt of a written request from a body or person referred to in Paragraphs a)-j), n) and s) of Subsection (1) of Section 138 of the Insurance Act indicating the name of the client or the description of the insurance contract, the type of data requested and the purpose of and the grounds for requesting data, with the exception that the bodies or persons referred to in Paragraphs p)-s) are required to indicate only the type of data requested and the purpose and grounds for requesting it. An indication of the statutory provision granting authorization for requesting data shall be treated as verification of the purpose and legal grounds.]
- p) third-country insurance companies and insurance intermediaries in respect of their branches, if they are able to satisfy the requirements prescribed by Hungarian law in connection with the management of each datum and the country in which the third-country insurance company is established has regulations on data protection that conform to the requirements prescribed by Hungarian law;
- q) the commissioner of fundamental rights when acting in an official capacity;
- r) the Nemzeti Adatvédelmi és Információszabadság Hatóság (the National Authority for data Protection and Freedom of Information) when acting in an official capacity.
- s) the insurance company in respect of the bonus-malus system and the bonus-malus rating, and the claims record and the bonus-malus rating in the cases specified in the decree on the detailed rules for the verification of casualties,
- t) the agricultural damage survey body, the agricultural administration body, the agricultural damage compensation body, and the institution delegated to conduct economic assessments under the supervision of the ministry directed by the minister in charge of the agricultural sector in respect of insured persons claiming any aid for the payment of agricultural insurance premiums;
- u) the authority maintaining a register of liquidator companies.

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

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

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

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

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

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

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

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

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

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

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

**The obligation to keep insurance secrets shall not apply when:**

- a) a Hungarian law enforcement agency makes a written request for information - that is considered insurance secret - in order to fulfil the written requests made by a foreign law enforcement agency pursuant to an international agreement;
- b) the national financial intelligence unit makes a written request for information - that is considered insurance secret

- acting within its powers conferred under the Act on the Prevention and Combating of Money Laundering and Terrorist Financing or in order to fulfil the written requests made by a foreign financial intelligence unit.

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

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

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

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

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

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

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

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

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

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

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

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

**Trade secrets of insurance companies and reinsurance companies**

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

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

- a) the Authority;
- b) the national security service;
- c) the Állami Számvevőszék (State Audit Office);
- d) the Gazdasági Versenyhivatal (Hungarian Competition Authority);
- e) the internal oversight agency tasked by the Government, which controls the legality and propriety of the use of central budget funds;
- f) property administrators;
- g) the Információs Központ (Information Center);
- h) the agricultural damage survey body, the agricultural damage compensation body, the agricultural administration body, and the institution delegated to conduct economic assessments under the supervision of the ministry directed by the minister in charge of the agricultural sector in respect of insured persons claiming any aid for the payment of agricultural insurance premiums.

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

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

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

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

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

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

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

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

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

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

Any information that is declared by the Info Act to be information of public interest or public information, and as such is rendered subject to disclosure may not be withheld on the grounds of being treated as a trade secret or insurance secret. Other matters relating to insurance secrets and trade secrets shall be governed by the relevant provisions of the Hungarian Civil Code.

#### **Data protection in relation to data exchanges between Insurance Companies**

In discharging the obligations delegated by law, or fulfilling their contractual commitments, in order to provide services in compliance with the relevant legislation or as contracted, and to prevent insurance fraud, the Insurance Company shall - in order to protect the interest of risk groups of insureds - have the right to make a request to another insurance company from 1 January, 2015 with respect to data processed by this insurance company and referred to in Subsections (3)-(5) of Section 149 of the Insurance Act in accordance with Subsection (1) of Section 135 thereof, taking into account the unique characteristics of insurance products affected. The request shall contain the information necessary for the identification of the person, property or right defined therein, it shall specify the type of data requested and the purpose of the request. Making a request and complying with one shall not be construed a breach of insurance secrecy.

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

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

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

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

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

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

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

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

The requesting Insurance Company shall not be allowed to connect the data obtained through the request relating to an

interest insured, with data it has obtained or processed, for purposes other than the above. The requested insurance company shall be responsible for the correctness and relevance of the data indicated in the request.”

#### **Information on handling of personal data**

**Data controller: Colonnade Insurance S.A.**

**Contact details of the data protection officer:**

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

**Mailing address: 1426 Budapest, Pf.:153**

#### **Categories of processed data:**

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

*special data:* medical data

#### **Purpose of data processing**

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

Data processing purposes include ensuring to comply with restrictive economic measures and anti-money laundering and terrorist financing obligations imposed by the United Nations, the European Union, or other relevant organisations. The Insurance Company shall transfer personal data (name) to its data processors residing in the United States according to the adequacy decision by the Commission and according to the Privacy Shield Framework.

Contracts established online via [colonnade.hu](http://colonnade.hu) are subject to the Act XXV of 2005 and to the Act CVIII of 2001, thus the purpose of data processing includes proving the compliance with the obligation to provide consumer information; proving the establishment of the contract; establishing, modifying and monitoring the fulfilment of a service provisioning contract in relation to the information society; billing for the services provided under the contract; and enforcing the related claims. The Insurance Company's data processing is either based on the establishment of the contract, or on the voluntary consent made by the client during the submission of claims, service requests, information requests regarding the contract. If transferring the medical data of a client outside the European Union is necessary in order to protect the vital interests of the data subject regarding a travel insurance contract, the Insurance Company shall inform the data subject of the transfer.

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

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

#### **Period of data processing**

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

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



companies” section.

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

### **Legal basis for data processing**

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

The legal basis for data processing in relation to customer complaints is the Act LXXXVIII of 2014 Section 159.

In case of restrictive economic measures (embargo) imposed by the United Nations, the European Union, or other relevant organisations, the legal basis for data processing is the legitimate interest of the Insurance Company and the compliance with its legal obligation.

### **The data subject rights and exercising these rights**

The data subjects’ rights include the followings:

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

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

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

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

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

b) If a data concerned is inaccurate, the client shall have the right to request and have it promptly updated.

c) The Insurance Company erase the personal data without undue delay if one of the following grounds applies:

- the personal data are no longer necessary in relation to the purposes for which they were collected; or
- the data subject withdraws consent, and there is no other legal ground for the processing;

unless, the data is for the establishment, exercise or defence of legal claims, or for compliance with a legal obligation.

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

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

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

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

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

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

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

**e)** The client shall have the right to lodge a complaint before the supervisory authority (NAIH; H - 1125 Budapest, Szilágyi Erzsébet fasor 22/c.; Mailing address: 1530 Budapest, Pf. 5.; Phone number: (+36) 1 391 1400, Fax: (+36) 1 391 1410, E-mail: [ugyfelszolgalat@naih.hu](mailto:ugyfelszolgalat@naih.hu), Web: [naih.hu](http://naih.hu)) about the handling his or her complaint or objection relating to the personal data carried out by Controller, or if the client finds any violation relating to the processing of the personal data or an immediate risk of that.

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

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

#### **Further data processing activity**

If the Insurance Company shall provide information to the Authority specified in Section 138, Bit having regard to the personal data, the Insurance Company shall inform the data subject about the recipient and the grounds of the data. The

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

Controller shall only provide the requested data in case the actual purpose and the datasets concerned are clearly indicated by the authority, and shall only provide data that is strictly necessary for fulfilling the purpose of the request.

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

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

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

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

**Other provisions**

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

The insurance contract concluded on the basis of the present regulation should only be amended in writing. This rule applies to the case if the Policyholder and/or the Insurer wish to deviate from the insurance terms and conditions.

Please find the annual report covering their financial situation and solvency on our website: [www.colonnade.hu/rolunk](http://www.colonnade.hu/rolunk).

## 8. ANNEX 1 TO THE POLLUTION LEGAL LIABILITY POLICY

### **On documents and other means of proof that are required for the settlement of claim**

In case of a loss event the followings should be provided implicitly to the Insurer for the adjustment of the claim

- immediate written notice with the contact's name and numbers, who will ensure the location survey to the insurer and/or its surveyor / expert,
- memorandum about the loss event and detailed description about the circumstances
- photos
- internal and external authorities' investigation documents, conclusion memos, decisions, and experts' opinion about the cause of loss
- claim notifications from claimants, copy of correspondence with them, memorandums about meetings
- documents verifying the existence, ownership and value of damaged property, etc.
- documents verifying measures taken since the event to prevent further losses and to mitigate losses occurred
- experts' opinion and preliminary calculation about the possible methods of reinstatement and its costs
- invoices, proof of performance of the approved actions, destruction
- immediate written notice if any official procedure was initiated against the insured to reimburse damages to claimants, then copies of documents issued in such procedure (memorandums of hearings, summons, decisions, etc.)

The insurer reserves the right to ask for further or other documents, information and other proofs if these are missing, or the documents provided contain inconsistency or raise further issues to be cleared.

We draw your attention also to the fact that the list above was based on past loss experience and typical claim cases of this kind. Because of this in case of an individual or special loss / claim case, the insurer also reserves the right to ask for documents, proofs different from the above list. The insurer undertakes to specify these special documents within 8 days from the notification of the event.