

FIDELITY GUARANTEE INSURANCE

Whereas the Insured by a signed Proposal and Declaration, which Proposal and Declaration together with any written statement made in connection with this Policy shall be the basis of this contract and deemed to be incorporated herein, has applied to the Insurers named in the attached Schedule of Insurers for the indemnity hereinafter contained and has paid or agreed to pay the premium as consideration for such indemnity

INSURING AGREEMENT

Now it is hereby agreed that subject to the terms, Conditions, Definitions and Exclusions contained herein or endorsed hereon, the Insurers will indemnify the Insured up to the Limit of Indemnity against direct financial loss above the Excess sustained by the Insured, discovered during the Period of Insurance by reason of Theft or Forgery by a Employee or Employees who must be identified by name provided that such Theft or Forgery is committed with the manifest intent:

- a) to cause the Insured to sustain such loss; and
- b) to obtain financial benefit for such Employee(s) or for any other person or organisation intended by such Employee(s) to receive such benefit. Salaries, commissions, fees, bonuses or other benefits earned in the normal course of employment shall not be considered as such benefit.

Such loss must be caused by such Employee(s) within the Territorial Limits or while such Employee(s) is(are) temporarily elsewhere for a period not exceeding three months.

DEFINITIONS

1. Insured : shall be the Insured named in the Schedule and any wholly owned subsidiary companies as may be named therein. (The owners of property in the Insured's care custody or control whether for a fee or otherwise shall be deemed to be included as an Insured hereunder but only to the extent of their interest in such property. No cover is given hereunder for loss caused by or contributed to by any employee of such owner).
2. Employee : means any natural person (except (i) a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity; (ii) any shareholder holding in excess of 10% of the shares of the Insured) while in the service of the Insured in the ordinary course of the Insured's Trade or Business and whom the Insured compensates by salary, wages or commission and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent.
3. Theft : means the dishonest appropriation of the property of the Insured with the intention of permanently depriving the Insured of the use thereof.
4. Forgery : shall be the making of a false document in order that it may be used as genuine with the intent to defraud or deceive.

CONDITIONS PRECEDENT TO LIABILITY

- 1 The duties of each Employee shall be arranged so that no one Employee is authorised to perform a financial transaction from commencement to completion.
- 2 The Insured shall engage the services of a qualified external auditor to perform at least one full audit of the books and records of the Insured in any twelve month period.
- 3 The systems of check, control and supervision stated in the Proposal shall be maintained in full effect during the Period of Insurance. In the event of any amendment(s) thereto, Insurers are to be advised within fourteen days of the amendment(s) and reserve the right to review the terms, Conditions and Exclusions of this Policy.

GENERAL CONDITIONS

1 This Policy and the Schedule hereto shall be read together as one contract and any word or expression to which a specific meaning has been given in any part of this Policy shall bear such meaning wherever it may appear.

2 Notice of Loss; Proof of Loss; Legal Proceedings.

- (i) the Insured shall, as soon as possible and in any event within thirty days of discovery by the Insured of any loss or circumstance which may give rise to a loss hereunder, give written notice thereof to the Insurers;
- (ii) the Insured shall furnish the Insurers with all information and documents available respecting such loss or circumstances which may give rise to such loss and shall render all reasonable assistance to the Insurers in the adjustment of the loss or circumstances which may give rise to such loss;
- (iii) the Insured shall also, within six months of such discovery, furnish to the Insurers definitive proof of any such loss;
- (iv) legal proceedings for recovery of any loss hereunder shall not be brought after the expiration of two years from the discovery of such loss.

If this limitation is prohibited by any law controlling the construction of this Policy, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

3 Interpretation; Service of Process.

In the event that the Insurers do not pay the amount claimed by the Insured to be due hereunder, the Insurers, at the request of the Insured and subject always to General Condition 4, shall submit exclusively to the jurisdiction of the country specified in the Schedule. Service of Process in any legal proceedings shall be made upon the person(s) named in the Schedule who are duly authorised to accept Service of Process on behalf of the Insurers. In such legal proceedings instituted against any one of the Insurers, the other Insurers shall abide by the final judgment of the applicable court of any appellate court in the event of appeal.

In the event of this Policy being issued in a language other than English, the original English text will prevail in any dispute arising out of translation.

4 Exclusive Policy Benefit.

It is agreed that the insurance granted herein shall be for the exclusive benefit of the Insured and that in no event shall anyone other than the Insured have any right of action under this Policy.

5 Basis of Valuation.

(i) Books of Accounts and Records

In the case of loss or damage to property (which forms a valid claim hereunder), consisting of books of accounts or other records used by the Insured in the conduct of the Trade or Business, the Insurers shall be liable under this Policy only if such books of accounts or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which shall have been furnished by the insured in order to reproduce such books of accounts and other records.

(ii) Securities and Foreign Currencies

The value of any securities or foreign funds or currencies for the loss of which a claim shall be made shall be determined by their closing market value on the last business day prior to the date of discovery of the loss or in the event of the discovery of the loss after the close of the market, by their closing market value on the day of discovery of the loss.

If there is no market price or value for the same on the day as stated in the preceding paragraph then the value shall be as agreed between the Insured and the Insurers or in default thereof by arbitration. If, however, such securities or foreign funds or currencies shall be replaced by the Insured with the approval of the Insurers the value shall be the actual cost of replacement.

6 Subrogation.

It is agreed that the Insurers upon payment of any loss hereunder shall become subrogated to all rights and remedies of the Insured in respect of such loss and the Insured will co-operate with Insurers as required in the enforcement of any of the said rights or remedies. Such enforcement shall be at the Insurers' own expense.

7 Salvage and Recovery.

In the case of recovery on account of any loss covered under this Policy the amount recovered, after deducting the actual cost of obtaining or, making such recovery but excluding the Insureds own labour and/or establishment costs, shall be applied. in the following order:

- (i) To reimburse the Insured in full for the part, if any, of such loss which exceeds the amount of coverage provided by this Policy (disregarding the amount of any Excess applicable);
- (ii) The balance, if any, or the entire net recovery if no part of such loss exceeds the amount of coverage provided by this Policy, to reduction of that part of such loss covered by this Policy, or if payment thereof shall have been made, to the reimbursement of the Insurers;
- (iii) Finally, to that part of such loss sustained by the Insuree by reason of any excess or to that part of such loss covered by any insurance of which this Policy is excess.

8 . Fraud.

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall be void and all claims hereunder shall be forfeited.

9 (i) Limit of Liability.

In the following apply:

- 1) a loss indemnifiable by this Policy has arisen and
- 2) such loss is insured under the discovery period of a policy or policies arranged with other insurers

then the total liability of insurers under this Policy and under any such other policy or policies shall not exceed:

- a) the Limit of Indemnity or
- b) the amount available to the Insured under such other policy or policies.

(ii) Non Cumulative Liability.

Regardless of the number of years the Insurers have insured the Insured, or may continue to do so, with respect to the perils contained herein, and of the premiums paid or payable in respect thereof the liability of the Insured shall not be cumulative in amount from year to year or from Period of Insurance to Period of Insurance and in no case shall exceed the Limit of Indemnity.

10 Other Insurance.

It is agreed that in the event of loss this Policy, in so far as it covers losses also covered by other insurance carried by the Insured, shall only pay claims (not exceeding the Limit of Indemnity) for the excess of the amount of such other insurance or insurances as may be in force when the loss is discovered.

11 Cancellation as to any Employee.

This Policy shall be deemed cancelled as to any Employee:

- a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any act of Theft or Forgery on the part of such Employee whether such act be committed before or after the date of employment by the Insured; or
- b) at 1 .01 a.m. local standard time upon the effective date specified in a written notice sent to the Insured. Such date shall be not less than fifteen days after the date of sending. The sending by the Insurers of notice as aforesaid to the Insured's Registered Address shall be sufficient proof of notice. Delivery of such written notice by the Insurers shall be equivalent to sending.

12 Cancellation of Policy.

This Policy may be cancelled by the Insured by sending to the Insurers written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Insurers by sending to the Insured's Registered Address written notice stating when, not less than fifteen days thereafter, such cancellation shall be effective. The sending of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the Insured or by the Insurers shall be equivalent to sending.

If the Insured cancels, earned premium shall be pro-rata plus 10% of the balance. If the Insurers cancel, earned premium shall be computed pro-rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation. There shall be no return premium however if the Insured discovers a loss which gives rise to a claim under this Policy.

EXCLUSIONS

This Policy shall not respond:

- 1) to any loss or that part of any loss, discovered during or as a result of any stocktaking or inventory computation or during preparation of any balance sheet or profit and loss account, unless the loss is proven by the Insured to be due to a peril covered by this Policy;
- 2) to potential income, including but not limited to interest and dividends, not realised by the Insured because of a loss covered by this Policy;
- 3) to any loss sustained by the Insured arising from third party claims for damages of any type for which the Insured is or may be legally liable as a result of a peril covered by this Policy
- 4) to costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered by this Policy;
- 5) to any loss incurred directly or indirectly arising out of dealing in stocks, bonds, commodities, futures, options, currencies, foreign exchange and the like or other financially related or speculative venture;
- 6) to any loss incurred directly or indirectly by the Insured or any Employee(s) engaging in any Trade or Business which has not previously been agreed by Insurers and stated in the Schedule;
- 7) to loss of property surrendered away from an office of the Insured as a result of a threat communicated to the Insured to
 - a) do bodily harm to a director, trustee, Employee, relative or invitee of any Employee or
 - b) do damage to the premises or property of the Insured.
- 8) to any loss or damage which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, terrorism, hostilities or warlike operations (whether War has been declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power, martial law, riot or the act of any lawfully constituted authority. In any claim, and in any action, suit or other proceeding to enforce a claim under this Policy for loss or damage, the burden of proving that such damage does not fall within this Exclusion shall be upon the Insured;
- 9)
 - a) to any loss or destruction of or damage to any property; whatsoever or to any loss or expense whatsoever resulting or arising therefrom or to any consequential loss
 - b) to any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (i) Ionising radiations or contamination by radioactivity; from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or
 - (ii) the radioactive, toxic, explosive or other hazardous properties or any explosive nuclear assembly or nuclear component thereof.