

FIDELITY GUARANTEE INSURANCE POLICY

WHEREAS the Insured carrying on the Business described in the Schedule, has by a written proposal and declaration which proposal together with any correspondence relative thereto signed by or on behalf of the Insured shall be the basis of this contract and be held as incorporated herein has applied to **RHB INSURANCE BERHAD** (hereinafter referred to as "the Company") for the indemnity hereinafter contained.

NOW THIS POLICY OF INSURANCE WITNESSETH that in consideration of the payment of the First Premium and subject to the Terms and Conditions contained herein or endorsed hereon which are deemed to be conditions precedent to any liability on the part of the Company so far as they relate to anything to be done or complied with by the Insured the Company agrees to reimburse to the Insured all such direct pecuniary loss not exceeding the Amount of Guarantee as the Insured shall sustain by any acts of fraud or dishonesty committed by any of the Employee or in respect of each of the Employee as specified in the Schedule committed

- (a) during the Period of Indemnity stated in the Schedule and
- (b) during the uninterrupted continuance of employment of such Employee(s) and
- (c) in connection with his occupation and duties and
- (d) discovered during the Period of Indemnity or within six months thereafter or within six months after the termination of such employment whichever shall happen first.

PROVIDED ALWAYS THAT

1. unless the Company shall consent in writing to any alteration the Company shall not be liable to make any payment hereunder if the nature of the business of the Insured or the duties or conditions of service of any such employee shall be changed or the remuneration of any such employee be reduced or if the precautions and checks for securing accuracy of accounts and stocks stated in the aforesaid proposal and correspondence relative thereto shall not be duly observed.
2. immediately following the discovery of any act of fraud or dishonesty on the part of any such employee the Indemnity hereby granted shall be at an end so far as any further act of fraud or dishonesty on the part of such employee is concerned.
3. any sum or sums paid or payable to the Insured in any one period of Insurance shall reduce the Amount of Guarantee so that the amount in respect of any or all such sums or sums shall not exceed the Amount Of Guarantee stated in the Schedule.
4. the amount of guarantee stated under this Policy shall be maximum liability of the Company in respect of such defalcation or series of defalcations or misappropriations of fraud which are interconnected irrespective of the number of staff involved.
5. the liability of the Company under this Policy in respect of any of the Employee(s) shall not exceed the Amount Guaranteed set against the name of such Employee(s) as stated in the Schedule.

EXCEPTIONS

This Policy does not cover:

1. unidentified employees;
 2. any losses caused by an employee who is known to have committed dishonest and fraudulent acts, either before or after policy inception date;
 3. any indirect or consequential loss such as loss of interest, business interruption, fines, penalties, punitive damages, loss of potential income or profits not realized, dividends, fees and commissions;
 4. any third party losses;
 5. extortion;
 6. any loss resulting wholly or partially from dishonest acts committed by directors or owners unless covered as an employee;
 7. any losses:
 - a) sustained prior to the inception of the policy
 - b) discovered prior to the inception date of the policy period
 - c) discovered subsequent to the termination of the policy period (including discovery period)
 8. stocktaking or inventory losses;
 9. any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely
 - a. war invasion act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war
 - b. mutiny riot strike civil commotion military or popular rising insurrection rebellion revolution conspiracy military or usurped power
 - c. martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege
 - d. any act of terrorism
For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
 - e. delay, seizure, confiscation, commandeering, requisition, compulsory sale (whether under Statute or otherwise), detention, nationalization or destruction of or damage to property by or under the order of any government de jure or de facto or any public or local authority
- Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the Insured shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of this exception any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

10. loss or destruction of or damage to any property whatsoever or any loss or expense resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:-
 - a. ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exception combustion shall include any self-sustaining process of nuclear fission.
 - b. nuclear weapons material
11. any loss which at the time of the happening of such loss is insured by or would but for the existence of this Policy, be insured by any Policy or Policies except in respect of any excess beyond the amount which would have been payable under the Policy or Policies had this Insurance not been effected.

CONDITIONS

1. MEANING

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

2. CONDITION PRECEDENT TO LIABILITY

The due observance and fulfillment of the terms conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the said proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

3. CONVICTION OF EMPLOYEE(S)

In the event of any act of fraud or dishonesty as foresaid it shall be a condition precedent to any liability of the Company for payment of any claim under this Policy that

- (a) the Employee(s), if he (they) can be traced, be prosecuted and convicted or
- (b) if such Employee(s) cannot be traced or identified, the Insured shall provide sufficient evidence to prove to the satisfaction of the Company that the Employee(s) or an Employee(s) specified in the schedule of the Policy was guilty of the alleged act of fraud or dishonesty.

4. CLAIMS PROCEDURE

Notice in writing shall be given within seven days to the Company if any acts of fraud or dishonesty by any of the Employee(s) or reasonable cause for suspicion thereof or any improper conduct shall come to the knowledge of the Insured or any representative of the Insured to whom is entrusted the duty of

superintendence over the Employee(s) and no amount shall be payable under this Policy in respect of any act committed by such employee(s) after such knowledge shall have come to the notice of the Insured or his said representative.

The Insured shall deliver to the Company full details of the claim within three months from the date when such knowledge shall have come to the notice of the Insured or his said representative together with proofs of the correctness of such claim.

5. AGGREGATE LIMIT

If this Policy shall be continued in force for more than one Period of Insurance or if any liability shall exist on the part of the Company under this Policy and also under any other Policy in respect of fraud or dishonesty of the Employee(s) the liability of the Company hereunder shall not be accumulated or increased thereby but the aggregate liability of the Company during any number of Periods of Insurance and for any number of acts of fraud or dishonesty committed by the Employee(s) shall not exceed the Amount of Guarantee set against the name(s) of such Employee(s) in the Schedule or the amount guaranteed under any other such Policy as aforesaid whichever is the greater.

6. ONE CLAIM PER EMPLOYEE

The Company shall not be liable to pay more than one claim in respect of any one of the Employees

7. RIGHTS OF THE COMPANY

All books of accounts of the Insured or any Accountant's report thereon shall be opened to the inspection of the Company and the Insured shall give all information and assistance to enable the Company to sue for and obtain reimbursement from any one of the Employee(s) or his/their estates of any moneys which the Company shall have paid or become liable to pay under this Policy.

8. RETENTION OF MONEY

Any moneys which but for the fraud or dishonesty of any of the Employee(s) would have been due to him (them) from the Insured and any moneys or other assets of such Employee(s) that may be in or come into the hands or under the control of the Insured shall be deducted from the amount otherwise payable under this Policy in priority to any other claim of the Insured to such moneys or assets. The Insured and the Company shall share any other recovery (excluding insurance and reinsurance and any counter security taken by the Company) made by either on account of any loss in the proportions that the amount of the loss borne by each bears to the total amount of the loss.

9. CANCELLATION

The Company may at any time by giving fourteen (14) days' notice in writing to the Insured at his last known address as known to the Company terminate the policy as from the expiration of such fourteen (14) days provided that the Company shall in that event return to the Insured a proportionate part of the premium for the unexpired period of insurance or the

Policy may be cancelled at any time by the Insured and the Insured shall be entitled to a return of premium less premium at the Company's short period rates for the period the policy has been in force subject to minimum premium of RM50/-.

10. ARBITRATION

If any difference arises as to the amount of loss such difference shall independently of all other question be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference, or, if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator, and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the Arbitrators and preside at their Meeting. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, or Arbitrators or Umpire respectively, and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The cost of the reference and of the award shall be at the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss if disputed shall be first obtained. If the Company shall disclaim liability for any claim hereunder and such claim shall not within twelve (12) calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

11. DIMINUTION OF AMOUNT GUARANTEED

Upon the happening of any circumstances covered by this Policy, the Aggregate Limit of Guarantee for the period immediately stand reduced by the amount paid or payable by the Company in respect of the act or acts of fraud or dishonesty involved.

12. SUBROGATION

After the Company has accepted a claim either in whole or in part, the Company shall be fully subrogated to the position of the Insured and shall be able to exercise for its own benefit any legal right or recovery held by the Insured. The Insured must, at the Company's expense, fully cooperate in the enforcement of this right by the Company.

13. OTHER INSURANCE

If at the time of any claim arising under this Policy there be any other subsisting guarantee or security in respect of the acts or defaults of the relevant employee the Company shall not be liable to pay or contribute more than its rateable proportion of such claim.

14. DUTY OF THE INSURED

The Insured shall take reasonable care at all times at their own expense to safeguard money from theft by employees.

15. FRAUD

This Policy is void if any fraud is committed by the Insured, or anyone authorized to act on behalf of the Insured, in relation to it.

CLAUSES/ENDORSEMENT

(The following clauses/endorsements are applicable to this Policy)

Y2KE DATE RECOGNITION CLAUSE (WITHOUT SAVINGS CLAUSE)

It is noted and agreed this policy is hereby amended as follows:-

- A. The Company shall not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to:-
 - 1. correctly recognize any date as its true calendar date;
 - 2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than as its true calendar date; and/or
 - 3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company shall not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
- C. It is further understood that the Company shall not pay for any loss or damage

including loss of use with or without physical damage or any consequential loss directly or indirectly arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A above.

- D. It is further understood that the Company shall not pay for any consequential loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognize any date as its true calendar date after the lost or damaged property has been replaced or repaired.

Such loss or damage or any consequential loss referred to in A, B, C or D above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

Subject otherwise to the terms, exceptions and conditions of this Policy.

**ITH INFORMATION TECHNOLOGY HAZARDS
CLARIFICATION CLAUSE NMA 2912**

Losses arising directly or indirectly, out of :

- (i) loss of, alteration of, or damage to or
- (ii) a reduction in the functionality, availability or operation of a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not, do not in and of themselves constitute one event unless arising out of one or more of the following perils :

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze of weight of snow.

PWE PREMIUM WARRANTY

It is a fundamental and absolute special condition of this Contract of Insurance that the premium due must be paid and received by the Company within sixty (60) days from the inception date of this policy/ endorsement/ renewal certificate.

If this condition is not complied with then this contract is automatically cancelled and the Company shall be entitled to the pro-rata premium for the period they have been on risk.

Where the premium payable pursuant to this warranty is received by an authorized agent of the Company, the payment shall be deemed to be received by the Company for the purpose of this warranty and the onus of proving that the premium payable was received by a person, including an insurance agent who was not authorized to receive such premium shall lie on the Company.

Subject otherwise to the terms, exceptions and conditions of this Policy.

NOTICE TO POLICYHOLDER

Please examine the insurance Policy to ensure that it meets your requirement.

To avoid misunderstanding, it is very important that the Policy, the Schedule and any Endorsements attached therein be read thoroughly.

If you have any complaints or grievances pertaining to your policy, please contact your agent, if any or get in touch with our issuing office. We assure you that your complaints will be attended to promptly.

For all intents and purposes where there is a conflict or ambiguity as to the meaning in the Bahasa Malaysia provisions of any part of the Contract, it is hereby agreed that the English version of the Contract shall prevail.

As a responsible insurer, we wish to bring your attention that you could also address your dissatisfaction to Ombudsman for Financial Services (OFS) or to Bank Negara Malaysia Customer Service Bureau (CSB) as listed below.

HOW TO LODGE A COMPLAINT

If you are unhappy with any aspect of our service, we would like to hear from you.

You can make your complaint in whatever form is most convenient to you either via a phone call to our receptionist or alternatively, by writing, faxing or e-mailing your complaint to:

Complaints Handling Unit

RHB Insurance Berhad
Level 12B, West Wing, The Icon
No 1, Jalan 1/68F, Jalan Tun Razak,
55000 Kuala Lumpur
Tel: 1300-220-007
Fax: 03-2163 7277
E-mail : complaints_unit@rhbinsurance.com.my

The Company will seek to respond to your complaint within fourteen (14) days. If the Company cannot resolve the matter within the aforesaid time frame when a matter is complex, you will be informed of the progress made with your complaint.

It will help the Company to respond promptly if you give the following details:

- 1. Your name, address and contact no.
- 2. Cover note no. / Policy no. / Claim no.

If after taking these steps, you are still dissatisfied, you may write to:

The Complaints Management Unit

Ombudsman for Financial Services (OFS)
Level 14, Main Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur

Tel: 03-2272 2811
Fax: 03-2272 1577
E-mail : enquiry@ofs.org.my
Website : www.ofs.org.my

If the Mediator makes an award against the Company, you are required to inform the Mediator of your decision to accept or deny the award within fourteen (14) days.

If you do not accept the award, you may reject the decision of the Mediator. You are free to institute a court proceeding against the Company or refer it to Arbitration.

Alternatively you may put forward your dissatisfaction over

the conduct of the Company by writing to Bank Negara Malaysia giving details of your complaint and particulars of your policy to:

BNMLINK

Corporate Communications Department
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur
Tel: 1300-88-5465 (LINK)
Fax: 03-2174 1515
E-mail : bnmtelelink@bnm.gov.my
Website : www.insuranceinfo.com.my

| HEAD OFFICE / IBU PEJABAT | CUSTOMER RELATIONSHIP CENTRE / KAUNTER KHIDMAT PELANGGAN | CALL CENTRE / PUSAT PANGGILAN |
|---|--|--|
| Level 12, West Wing, The Icon, No.1, Jalan 1/68F, Jalan Tun Razak, 55000 Kuala Lumpur Tel : 03 - 2180 3000 Fax : 03 - 9281 2729 Website : www.rhbgroup.com/insurance | Level 1, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur Tel : 1300-220-007 Fax : 03 – 2163 7277 Email : rhbi.general@rhbgroup.com | Claims Inquiries : 03 - 2180 3030 |