

FIDELITY GUARANTEE POLICY

Whereas the Insured named in the Schedule hereto (hereinafter called the 'Employer') by a proposal and declaration together with any correspondence relative thereto which shall be the basis of this contract and is deemed to be incorporated herein has applied to CHINA TAIPING INSURANCE (SINGAPORE) PTE. LTD. (hereinafter called "the Company") for insurance hereinafter expressed.

Now this policy witnesseth that in consideration of the payment of the premium and subject to the terms exceptions and conditions herein or endorsed hereon (hereinafter collectively referred to as 'the Terms of this Policy') the Company will indemnify the Insured against the loss of money or other property belonging to the Insured or for which the Insured is legally responsible as the direct result of any act of Fraud or Dishonesty committed by any employee described in the Schedule.

Provided That

1. the Company shall not be liable in respect of any act of fraud or dishonesty as aforesaid
 - (a) unless it is committed
 - (i) during the Period Of Insurance and
 - (ii) during the uninterrupted service of the Employee with the Insured in the Employment specified herein against such Employee's name or description.
 - (b) in respect of any act of fraud or dishonesty committed unless such act of fraud or dishonesty is discovered and notified to the Company during the aforesaid Period of Indemnity or within six months thereafter or within six months after the death dismissal or retirement of the Employee whichever event shall first happen.
 - (c) if such Employee is not successfully prosecuted for fraud or dishonesty which forms the basis of a claim under this Policy.
 - (d) if the nature of the business of the Employer or the duties or conditions of employment be changed or the remuneration of the Employee reduced without the sanction of the Company or if the precautions and checks for securing accuracy of accounts shall not be duly observed.
 - (e) to pay more than one claim under this Policy in respect of any one of the employed.
2. the liability of the Company shall not exceed
 - (a) in respect of any employee the amount stated against the name or description.
 - (b) in respect of all claims under this Policy the total amount guaranteed.
3. in the event of an occurrence giving rise to a claim under this Policy and also to a claim under any other policy of the Company replaced by this Policy the liability of the Company shall not exceed that under this Policy or under such other policy whichever is the greater amount.

Provided further that the due observance and fulfilment 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 Employer 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.

Conditions

1. 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 the Schedule shall bear such meaning wherever it may appear.
2. Every notice or communication to the Company shall be in writing and sent to the Company and Notice or knowledge of anything relating to this Policy or any claim hereunder or with reference to the risk insured hereunder, shall not be deemed to be notice to or within the knowledge of the Company unless so given. Any Agent or officer of the Company who may on behalf of the Employer write any statement which the Employer signs or authorises to be signed, shall for the purpose thereof be deemed to be the Agent of the Employer and not of the Company.
3. Upon the discovery of any circumstances giving rise or likely to give rise to a claim under this Policy the Employer shall
 - (a) immediately give notice thereof to the Company in writing stating if known the whereabouts of the Employee and explaining fully all such circumstances.
 - (b) within one month from the date of such Notice (unless the Company has in writing agreed to extend such period) deliver to the Company full details of the claim and shall furnish proof of the correctness of such claim.
 - (c) at all reasonable times permit the Company or its agents to enquire into, investigate and examine the circumstances of the alleged loss by the Employer, and the claim in respect thereof, and the Employer shall, at his own expense upon being required so to do by the Company or its agents, produce all books, vouchers, correspondence, documents, receipts and all entries relating to the alleged loss in his assistance as may be required by the Company so far as they relate to such claim or may in any way enable the Company or its agents to ascertain the correctness thereof or the liability of the Company under this Policy.
 - (d) if and when required by the Company (but at the expense of the Company if a conviction be obtained) use all diligence in prosecuting or assisting to prosecute any Employee to conviction for any criminal act which the Employee shall have committed and in consequence of which a claim shall have been made under this Policy.
4. Any moneys of the Employee in the hands of the Employer and any moneys which but for any act of fraud or dishonesty would have been due to the Employee from the Employer shall be deducted from the amount otherwise payable under this Policy.
5. 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 Employee the Company shall not be liable to pay or contribute more than its ratable proportion of such claim.
6. The Company shall at its own discretion be entitled at its own expense and for its own benefit in the name of the Insured or otherwise to exercise all rights of action competent to the Insured against any employee or its estate and effects in respect of whom the Company has paid or has become liable to pay a claim here under.

Conditions (continued)

7. The Company may cancel this Policy by sending seven days' notice by registered letter to the Insured at his last known address and in such event will return to the Insured the premium paid less the pro-rata portion thereof for the period the policy has been in force or the Policy may be cancelled at any time by the Insured on seven days notice and (provided no claim has arisen during the then current period of insurance) 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.
8. All differences arising out of this Policy shall be referred to the arbitration of some person to be appointed by both parties or if they cannot agree upon a single arbitrator to the decision of two arbitrators one to be appointed in writing by each party and in case of disagreement between the arbitrators to the decision of an umpire who shall have been appointed in writing by the arbitrators before entering on the reference and an award shall be condition precedent to any liability of the Company or any right of action against the Company.

Premium Payment Warranty

1. Notwithstanding anything herein contained but subject to clause 2 hereof it is hereby agreed and declared that if the period of insurance is 60 days or more, any premium due must be paid and actually received in full by the Company (or the intermediary through whom this Policy was effected) within 60 days of the:-
 - (i) INCEPTION date of the coverage under the Policy, Renewal Certificate or Cover Note; or
 - (ii) EFFECTIVE date of each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note.
2. In the event that any premium due is not paid and actually received in full by the Company (or the intermediary through whom this Policy was effected) within the 60-day period referred to above, then :-
 - (a) the cover under the Policy, Renewal Certificate, Cover Note or Endorsement shall be deemed to be cancelled immediately after the expiry of the said 60-day period;
 - (b) the deemed cancellation of the cover shall be without prejudice to any liability incurred within the said 60 day period; and
 - (c) the Company shall be entitled to a pro-rata time on risk premium subject to a minimum of S\$25.00.
3. If the period of insurance is less than 60 days, any premium due must be paid and actually received in full by the Company (or the intermediary through whom this Policy was effected) within the period of insurance.