

No. S.2021.0020/MBI/DIR COMPLIANCE-Corporate Secretary
Jakarta, 30 Juni 2021

Kepada Yth.

1. **Otoritas Jasa Keuangan (“OJK”)**
Gedung Sumitro Djojohadikusumo
Departemen Keuangan RI
Jl. Lapangan Banteng Timur 2-4
Jakarta 10710
Up. Yth. Bapak Ir. Hoesen, M.M - Kepala Eksekutif Pengawas Pasar Modal OJK
2. **Direksi PT Bursa Efek Indonesia**
Gedung Bursa Efek Indonesia Tower 1
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Up. Yth. Bapak IGD Nyoman Yetna Setia - Direktur Penilaian Perusahaan

Perihal: **Keterbukaan Informasi atas Transaksi Afiliasi PT Bank Maybank Indonesia, Tbk.
 (“Perseroan”)**

Dengan hormat,

Merujuk Peraturan Otoritas Jasa Keuangan Nomor 42/POJK.04/2020 tentang Transaksi Afiliasi dan Transaksi Benturan Kepentingan (“**POJK 42**”), dan Keputusan Direksi PT Bursa Efek Indonesia No. Kep-00015/BEI/01-2021 tanggal 29 Januari 2021 tentang Kewajiban Penyampaian Informasi, dengan ini disampaikan Keterbukaan Informasi sehubungan dengan Transaksi Afiliasi yang telah dilakukan oleh Perseroan dengan Malayan Banking Berhad (“**Transaksi**”), dengan uraian sebagai berikut:

1) Uraian tentang Transaksi:

i. **Tanggal Transaksi**
Pada tanggal 30 Juni 2021, Perseroan melakukan Transaksi berupa Pembayaran *Reimbursement* Premi Asuransi Etiqa - Bankers Comprehensive Crime and Civil Liability (BCPI) & Cyber Insurance dari Perseroan kepada Malayan Banking Berhad (“**MBB**”).

ii. **Obyek Transaksi**
Obyek Transaksi adalah pembayaran *reimbursement* Premi Asuransi Etiqa - Bankers Comprehensive Crime and Civil Liability (BCPI) & Cyber Insurance (“**Asuransi**”) dari PT Bank Maybank Indonesia, Tbk. kepada Malayan Banking Berhad.
Pemegang Polis Asuransi ini adalah Malayan Banking Berhad. Entitas yang diasuransikan dalam Polis Asuransi ini adalah MBB dan seluruh anak Perusahaan MBB, sehingga Perseroan termasuk salah satu entitas yang diasuransikan dalam Polis Asuransi ini.

Besaran Premi Asuransi yang menjadi kewajiban Perseroan, sebesar Rp 3.926.261.784,32 atau MYR 1,135,785.20 telah dibayarkan oleh MBB kepada Etiqa. Perseroan kemudian berkewajiban untuk melakukan pembayaran *reimbursement* Premi Asuransi kepada MBB.

iii. **Nilai Transaksi**
Nilai Transaksi adalah sebesar Rp 3.926.261.784,32 atau MYR 1,135,785.20 untuk periode 1 tahun, dimana jumlah ini merupakan besaran Premi Asuransi yang menjadi kewajiban Perseroan.

- iv. **Pihak-Pihak yang Melakukan Transaksi dan Hubungan dengan Perseroan**
Pihak-pihak dalam Transaksi ini adalah:
 - PT Bank Maybank Indonesia, Tbk. selaku Penerima Jasa; dan
 - Malayan Banking Berhad selaku Pemberi Jasa
 - v. **Sifat Hubungan Afiliasi dari pihak yang melakukan Transaksi dengan Perseroan**
Hubungan Afiliasi antara Perseroan dan MBB didasarkan pada hubungan antara perusahaan dan pemegang saham utama. MBB adalah Pemegang Saham Utama dari Perseroan.
- 2) **Pertimbangan dan alasan dilakukannya Transaksi tersebut dibandingkan apabila dilakukan transaksi lain yang sejenis dengan pihak non afiliasi adalah:**
- Transaksi Afiliasi ini dilakukan dengan tujuan untuk mewujudkan sinergi antara Maybank Group;
 - Transaksi Afiliasi ini juga memberikan manfaat efisiensi bagi Perseroan.
- 3) **Direksi dan Dewan Komisaris Perseroan telah menyatakan dalam Surat Pernyataan terlampir bahwa:**
- bertanggung jawab penuh atas kebenaran dari seluruh informasi yang dimuat dalam laporan ini;
 - seluruh informasi atau fakta material yang relevan terkait dengan laporan ini telah disampaikan dengan benar; dan tidak ada informasi penting atau fakta material lainnya yang berhubungan dengan Transaksi tersebut yang tidak dikemukakan dalam laporan ini yang dapat menyebabkan informasi dalam laporan ini menjadi tidak benar dan/atau menyesatkan;
 - baik secara pribadi maupun korporasi tidak memiliki benturan kepentingan terhadap Transaksi ini, dan dilaksanakan dengan pertimbangan bisnis yang telah dilakukan Perseroan.

Demikian disampaikan. Atas perhatiannya kami mengucapkan terima kasih.

Hormat kami,
PT Bank Maybank Indonesia, Tbk.


Harris P. Simanjuntak
Sekretaris Perusahaan

Tembusan kepada Yth:

- Dewan Komisaris PT Bank Maybank Indonesia, Tbk.
- Direktur Kepatuhan PT Bank Maybank Indonesia, Tbk.

SURAT PERNYATAAN DIREKSI
PT BANK MAYBANK INDONESIA, TBK.
No. Spt.2021.003/MBI/DIR COMPLIANCE-Corporate Secretary

Yang bertanda tangan di bawah ini:

1. Nama : **Thilagavaty Nadason**
Jabatan : Direktur PT Bank Maybank Indonesia, Tbk.
2. Nama : **Muhamadian**
Jabatan : Direktur PT Bank Maybank Indonesia, Tbk.

masing-masing bertindak dalam jabatannya tersebut di atas, dari dan oleh karenanya berwenang bertindak untuk dan atas nama Direksi PT Bank Maybank Indonesia, Tbk. berkedudukan di Jakarta Pusat dan berkantor pusat di Sentral Senayan III, Jl. Asia Afrika No. 8, Gelora Bung Karno - Senayan, Jakarta 10270 (selanjutnya disebut sebagai “Perseroan”) dengan ini menyatakan bahwa:

1. Perseroan telah melakukan Transaksi Pembayaran Reimbursement Premi Asuransi Etiqa - Bankers Comprehensive Crime and Civil Liability (BCPI) & Cyber Insurance dari Perseroan kepada Malayan Banking Berhad, dengan total nilai Transaksi Afiliasi sebesar Rp3.926.261.784,32 atau MYR1.135.785,20 untuk periode 1 tahun (“Transaksi Afiliasi”), berdasarkan Polis Asuransi Bankers Comprehensive Crime and Civil Liability Insurance Policy - Malayan Banking Berhad Nomor CLB-L0139820-W1 dan *Invoice Letter* Nomor MBB-86121-0321002;
2. Transaksi Afiliasi yang dilakukan telah melalui prosedur sebagaimana yang diatur dalam Peraturan Otoritas Jasa Keuangan Nomor 42/POJK.04/2020 tentang Transaksi Afiliasi dan Transaksi Benturan Kepentingan;
3. Seluruh informasi/fakta material yang disampaikan Perseroan kepada Otoritas Jasa Keuangan dan PT Bursa Efek Indonesia berkaitan dengan Transaksi Afiliasi tersebut - sebagaimana tercantum dalam Surat Perseroan No. S.2021. 0020 /MBI/DIR COMPLIANCE-Corporate Secretary tanggal 30 Juni 2021 - telah diungkapkan seluruhnya dengan benar, dan tidak ada informasi penting atau fakta material lainnya yang tidak dikemukakan dalam laporan tersebut yang dapat menyebabkan informasi dalam laporan tersebut menjadi tidak benar dan/atau menyesatkan;
4. Seluruh anggota Direksi secara pribadi maupun korporasi tidak memiliki benturan kepentingan atas Transaksi Afiliasi tersebut sebagaimana diatur dalam Peraturan Otoritas Jasa Keuangan Nomor 42/POJK.04/2020 tentang Transaksi Afiliasi dan Transaksi Benturan Kepentingan.

Demikian Surat Pemyataan ini dibuat dengan itikad baik, benar dan sesungguhnya untuk keperluan pelaporan atas Transaksi Afiliasi yang dilakukan Perseroan.

Jakarta, 30 Juni 2021
Yang Memberi Pernyataan,
Direksi
PT Bank Maybank Indonesia, Tbk.



Thilagavaty Nadason
Direktur



Muhamadian
Direktur

**SURAT PERNYATAAN DEWAN KOMISARIS
PT BANK MAYBANK INDONESIA, TBK.
No. Spt.2021.004/MBI/DIR COMPLIANCE-Corporate Secretary**

Yang bertanda tangan di bawah ini, seluruh anggota Dewan Komisaris PT Bank Maybank Indonesia, Tbk. berkedudukan di Jakarta Pusat dan berkantor pusat di Sentral Senayan III, Jl. Asia Afrika No. 8, Gelora Bung Karno - Senayan, Jakarta 10270 (selanjutnya disebut sebagai “Perseroan”), dengan ini menyatakan bahwa:

1. Direksi Perseroan telah melakukan Transaksi Pembayaran Reimbursement Premi Asuransi Etiqa Bankers Comprehensive Crime, Civil Liability (BCPI) & Cyber Insurance dari Perseroan kepada Malayan Banking Berhad, dengan total nilai Transaksi Afiliasi sebesar Rp3.926.261.784,32 atau MYR1.135.785,20 untuk periode 1 tahun (“Transaksi Afiliasi”), berdasarkan Polis Asuransi Bankers Comprehensive Crime and Civil Liability Insurance Policy - Malayan Banking Berhad Nomor CLB-L0139820-W1 dan Invoice Letter Nomor MBB-86121-0321002;
2. Seluruh informasi/fakta material yang disampaikan Perseroan kepada Otoritas Jasa Keuangan dan PT Bursa Efek Indonesia berkaitan dengan Transaksi Afiliasi tersebut - sebagaimana tercantum dalam Surat Perseroan No. S.2021.0020/MBI/DIR COMPLIANCE-Corporate Secretary tanggal 30 Juni 2021 - telah diungkapkan seluruhnya dengan benar, dan tidak ada informasi penting atau fakta material lainnya yang tidak dikemukakan dalam laporan tersebut yang dapat menyebabkan informasi dalam laporan tersebut menjadi tidak benar dan/atau menyesatkan;
3. Seluruh anggota Dewan Komisaris baik secara pribadi maupun korporasi tidak memiliki benturan kepentingan atas Transaksi Afiliasi tersebut sebagaimana diatur dalam Peraturan Otoritas Jasa Keuangan Nomor 42/POJK.04/2020 tentang Transaksi Afiliasi dan Transaksi Benturan Kepentingan.

Demikian Surat Pernyataan ini dibuat dengan itikad baik, benar dan sesungguhnya untuk keperluan pelaporan atas Transaksi Afiliasi yang dilakukan Perseroan.


Jakarta, 30 Juni 2021

Dewan Komisaris

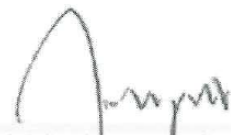
PT Bank Maybank Indonesia Tbk,



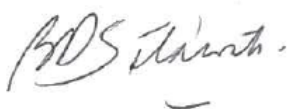
Datuk Abdul Farid Bin Alias
Presiden Komisaris



Edwin Gerungan
Komisaris




Datuk Lim Hong Tat
Komisaris



Budhi Dyah Sitawati
Komisaris Independen



Achjar Iljas
Komisaris Independen



Hendar
Komisaris Independen



**BANKERS COMPREHENSIVE CRIME AND CIVIL
LIABILITY INSURANCE POLICY**

MALAYAN BANKING BERHAD

POLICY NO: CLB-L0139820-W1

Etiqua General Insurance Berhad (9557-T)
(Formerly known as Etiqa Insurance Berhad)
(Licensed under Financial Services Act 2009
and regulated by Bank Negara Malaysia)

Dataran Maybank
No 1, Jalan Maarof
59000 Kuala Lumpur
Malaysia

T +603 2297 3888
F +603 2297 3800
E info@etiqa.com.my

SECTION 1

Advanced Crime Policy (FI) - 2020

**Malayan Banking Berhad and others
as detailed herein.**

Contents

Notice / Preamble / Fraudulent Claims

Schedule

- 1. Insuring Clauses**
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Endorsements

Notice / Preamble / Fraudulent Claims

Notice

The **Policyholder** is requested to read this Policy and, if it is incorrect, to contact Etiqa General Insurance Berhad, whose address appears immediately below:

Level 10, Tower B,
Dataran Maybank,
No 1, Jalan Maarof,
59000, Kuala Lumpur,
Malaysia

It is request that in all communications, the Policy Number appearing in the Schedule is quoted.

Preamble

In consideration of the payment of, or agreement to pay, the premium specified in Item 6 of the Schedule and subject to all terms, conditions and limitations of this Policy, **Insurers** agree from the inception date referred to in Item 2 of the Schedule, to indemnify the **Insured Entity**, such **Crime Loss** in the manner stated in this Policy and/or applicable Endorsements, in excess of the amounts of the **Retention** (if any) and subject always to the **Limit of Indemnity**.

Fraudulent Claims

If any **Insured Entity** shall give notice of a claim for **Crime Loss** under this Policy knowing such notice to be false or fraudulent, the **Insurers** may refuse payment to that **Insured Entity** in respect of all claims for **Crime Loss** and the **Insurers** shall be entitled to cancel this Policy in respect of such **Insured Entity** by giving thirty (30) days' notice in writing to the **Policyholder**. However, this will not reduce or remove the **Insurers'** obligations with regard to claims for **Crime Loss** made under this Policy:

- (i) notified to the **Insurers** by **Insured Entities** other than by the **Insured Entity** that made the aforementioned false or fraudulent notification;
- (ii) in good faith and which, upon discovering such notification to be false or fraudulent, the **Insured Entity** withdraws it immediately;
- (iii) notified to the **Insurers** before the making of the aforementioned false or fraudulent notification.

Schedule

Policy Number: CLB-L0139820-W1

Item 1. Policyholder: Malayan Banking Berhad

Principal Address: 14th Floor Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur,
Malaysia.

Item 2. Policy Period: From: 1st July 2020 (inception date)
To: 1st July 2021 (expiration date)

Both dates at 12.01am local standard time at the Principal Address stated in Item 1 above.

Item 3. Limit of Indemnity: RM30,000,000.00 in the aggregate, subject always to the sub-limits set forth in Item 4 below (if applicable).

- Item 4. Sub-Limits**
- (a) RM2,500,000.00 in the aggregate in respect of sub-clause (f) of Insuring Clause 1.3 (Forged Instruments).
 - (b) RM3,000,000.00 in the aggregate in respect of sub-clause (b) of Insuring Clause 1.4 (Computer and Telephonic Misuse / Toll Fraud);
 - (c) RM500,000.00 in the aggregate in respect of Insuring Clause 1.8 (Identity Fraud Costs).
 - (d) RM3,000,000.00 in the aggregate in respect of Conditions 4.11(i) (Interest Receivable or Payable).
 - (e) RM3,000,000.00 in the aggregate in respect of Definition 5.52 (Mitigation Costs).
 - (f) RM250,000.00 in the aggregate in respect of Definition 5.60 (Preparation Costs)
 - (g) RM250,000.00 in the aggregate in respect of Definition 5.83 (Verification Costs)

The sub-limits stated above shall be a part of and not in addition to the **Limit of Indemnity**.

Item 5. Retention(s): RM10,000,000.00 each **Single Crime Loss**, except:

- (a) RM50,000.00 in the aggregate in respect of sub-clause (f) of Insuring Clause 1.3 (Forged Instruments);
- (b) RM50,000.00 each **Single Crime Loss** in respect of sub-clause (b) of Insuring Clause 1.4 (Computer and Telephonic Misuse / Toll Fraud);
- (c) RM250,000.00 each **Single Crime Loss** in respect of Insuring Clause 1.8 (Identity Fraud Costs).

Item 6. Premium:
Annual RM 8,950,000 (Sections: Crime and Civil Liability combined)

Item 7. Territorial Limits: Worldwide.

Item 8. Notice: All notice to **Insurers**, including the notice requirements set out under Condition 4.3 (Notification and Discovery), shall be made to them via:

Etiqa General Insurance Berhad
Level 14, Tower B,
Dataran Maybank,
No 1 Jalan Maarof,
59000 Kuala Lumpur,
Malaysia.

Item 9. Responsible Person(s):

- a) Chief Executive Officer; or
- b) Chief Operating Officer; or
- c) Head of Legal; or
- d) Group Insurance Division

of the **Policyholder**.

Item 10. New Subsidiary Coverage: 20%

Item 11. Persons Nominated to accept Service of Process

Etiqa General Insurance Berhad
 Level 14, Tower B,
 Dataran Maybank,
 No 1, Jalan Maarof,
 59000, Kuala Lumpur,
 Malaysia.

Item 12. Retroactive Date: 31st May 1963
 1st December 2008 in respect of Bank International Indonesia
 1st May 2012 in respect of Kim Eng Group

Item 13. Insuring Clauses and Extensions

Insuring Clauses

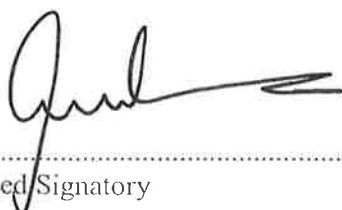
Insuring Clause 1.1	(Employee Dishonesty)	Covered
Insuring Clause 1.2	(Physical Loss)	Covered
Insuring Clause 1.3	(Forged Instruments)	Covered
Insuring Clause 1.4	(Computer and Telephonic Misuse / Toll Fraud)	Covered
Insuring Clause 1.5	(Extortion)	Covered
Insuring Clause 1.6	(Stop Payment Liability)	Covered
Insuring Clause 1.7	(Cash Letter)	Covered
Insuring Clause 1.8	(Identity Fraud Costs)	Covered
Insuring Clause 1.9	(Fraudulent Retention of Funds or Property)	Covered

Extensions

Extension 2.1	(Non-Renewal Extended Reporting Period)	Covered
Extension 2.2	(Transaction Extended Reporting Period)	Covered
Extension 2.3	(New Subsidiaries)	Covered
Extension 2.4	(Additional Offices, Computer Systems)	Covered

If "Not Covered" is inserted above opposite any specified Insuring Clause or Extension, such Insuring Clause or Extension and other reference thereto in this Policy shall be deemed to be deleted therefrom.

Dated in Kuala Lumpur, 27 August 2020
 ETIQA GENERAL INSURANCE BERHAD





Authorised Signatory

1. Insuring Clauses

Insurers will indemnify the **Insured Entity** for **Crime Loss Discovered** during the **Policy Period** (or, if exercised, during the **Extended Reporting Period**), and which is incurred:

1.1 Employee Dishonesty

By reason of and directly caused by **Wrongful Acts** of any **Employee**.

Special Condition

Salary, fees, commissions, bonuses, salary increases, promotions, profit sharing and other emoluments or benefits, including normally accepted business entertainment expenses do not constitute "improper financial gain" as such term is used within the Definition of **Wrongful Act**. However, where an **Employee** has obtained financial remuneration directly from the consequences of a **Wrongful Act** covered in this Insuring Clause 1.1, the **Insured Entity** may include such amounts within the calculation of direct financial loss.

1.2 Physical Loss

By reason of:

- (a) the physical loss of, destruction of, damage to, or mysterious unexplainable disappearance of, **Property** within any premises (including whilst within an automated teller machine or any safe deposit box) wherever located, or whilst in **Transit**, howsoever or by whomsoever caused;
- (b) the physical loss of, destruction of, or damage to, premises of the **Insured Entity** or **Contents** therein, during a hold-up, burglary, theft, or similar unlawful removal of **Property** or attempt thereat, or damage to the interior of such premises or the **Contents** therein caused by vandalism or malicious mischief;
- (c) **Property** being lost through any of the perils specified in sub-clause (a) above while in the possession of a customer or client of the **Insured Entity** or any representative of such customer or client, when such person is on any premises where the **Insured Entity** conducts its business, whether or not the **Insured Entity** is legally liable for such loss, subject always to Condition 4.16 (Third Party Rights), and excluding in any event loss caused by such customer or client or representative thereof.

Special Exclusion

This Insuring Clause 1.2 does not cover any loss of, destruction of, or damage to **Property**, premises of the **Insured Entity** or **Contents** which arises directly or indirectly as a result of or in connection with **Terrorism**.

This Special Exclusion shall not apply to the extent that any **Crime Loss** results directly from the theft of **Property** or **Contents** committed by any natural person(s).

1.3 Forged Instruments

By reason of the **Insured Entity** or any **Financial Organisation** acting on their behalf having in good faith and in the ordinary course of business, acted or relied upon any:

- (a) **Security** that:
 - (i) bears a **Forged Signature**; or
 - (ii) bears a fraudulent alteration; or
 - (iii) is **Counterfeit**; or
 - (iv) is lost or stolen; or
- (b) **Corporate Card Application or Certificate or Document** that:
 - (i) bears a **Forged Signature**; or
 - (ii) bears a fraudulent alteration; or
 - (iii) is **Counterfeit**; or
- (c) **Withdrawal Receipt, Promissory Note, Payment Instruction, Fictitious Payee Cheque, Cheque Procured By Impersonation, Fraudulent Payroll Cheque, Letter of Credit, Written Instruction**, money order or order upon any public treasury, or similar instruments of value serving the same purpose that:
 - (i) bears a **Forged Signature**; or
 - (ii) bears a fraudulent alteration; or
- (d) **Insurance Policy Instrument** that:
 - (i) bears a **Forged Signature**; or
 - (ii) bears a fraudulent alteration; or
 - (iii) enables the title to the proceeds of any insurance policy (including an endowment) to be falsely claimed; or
- (e) **Mortgage Instrument** which proves to have been **Faulty**; or
- (f) counterfeited paper currency or coin issued or purporting to have been issued as legal tender in any Country.

Special Conditions

- (1) When **Securities** serve as collateral or security for any **Loan**:
 - (a) Actual physical possession of such **Securities** (or the verification of any **Uncertificated Security**) by the **Insured Entity** at the time that the **Insured Entity** acts or relies upon such items, is a condition to recovery under this Policy.
 - (b) **Securities** in the care, custody or control of another **Financial Organisation** in the usual course of business shall be deemed to be in the physical possession of the **Insured Entity**.
- (2) The foregoing instruments must be in written or printed characters and of a type with which the natural person acting thereupon is conversant.

1.4 Computer and Telephonic Misuse / Toll Fraud

By reason of:

- (a) **Computer Misuse** or **Telephonic Misuse**, committed by any person (other than an identifiable **Employee**) acting alone or in collusion with others; or
- (b) the payment of any telephone toll charges as a direct result of the unauthorised use of an **Account Code** or **System Password** contained in any **Telephone System** owned or leased by the **Insured Entity**.

Special Condition

It is agreed that:

- (i) instructions, messages, information or payments transmitted digitally through touch tone telephone communication systems or by telex or telefacsimile; and
- (ii) instructions made over the telephone,

must be **Tested**.

Special Exclusion

This Insuring Clause 1.4 does not cover **Crime Loss** resulting solely from the **Insured Entity** or any **Financial Organisation** acting on their behalf having acted or relied upon that part of any **Electronic Data** or **Electronic Communications** which has been transcribed or reproduced in electronic format from forged, fraudulently altered or fraudulent negotiable instruments, securities, documents or written instruments.

1.5 **Extortion**

By reason of funds or property being surrendered or delivered (including but not limited to the transfer of funds or property or the causing of funds or property to be transferred) as the result of a threat communicated to the **Insured Entity** to:

- (a) do bodily harm to a director, officer, trustee, member, managing member, partner or general partner of the **Insured Entity** or an **Employee** or a relative or invitee of such persons who is, or allegedly is, being held captive or is under threat anywhere; or
- (b) cause disruption to the business of the **Assured** or to cause damage to the premises or property (including **Property**) of the **Insured Entity** or for which the **Insured Entity** are legally liable; or
- (c) damage, destroy, modify, corrupt, replicate, extract or in any way alter or divulge **Computer Programs** or **Electronic Data**; or
- (d) sell or disclose confidential security codes, information, non-electronic data, **Computer Programs** or **Electronic Data** owned by the **Insured Entity** to another person or party; or
- (e) deny access to the **Insured Entity's Computer System** or a **Service Bureau's Computer System** or any other **Computer System** serving or permitting access to the **Insured Entity's Computer System**; or
- (f) cause the **Insured Entity** or any **Financial Organisation** acting on their behalf to transfer, pay or deliver any funds or property by means of a **Computer System** operated by the **Insured Entity** or such **Financial Organisation**,

provided that:

- (i) the person receiving the threat has made a reasonable effort to report the extortionist's threat to a **Responsible Person** or a director, member, managing member, partner or general partner of the **Insured Entity**; and
- (ii) a reasonable effort has been made to report the extortionist's threat to the local law enforcement authorities; and
- (iii) the aforementioned **Responsible Person**, director, member, managing member, partner or general partner is satisfied that the person making the threat is both capable of carrying it out and reasonably likely to do so and in relation to sub-clause (c), (d), (e) and (f) above, that the threatened action is technologically feasible.

1.6 Stop Payment Order Liability

By reason of the **Insured Entity** or any **Financial Organisation** acting on their behalf having:

- (a) complied or failed to comply with a request to stop payment on; or
- (b) refused to pay any,

Cheque, Draft, standing order or direct debit drawn upon or against an **Insured Entity**.

1.7 Cash Letter

By reason of any item or items enclosed with a **Cash Letter** being lost or damaged from any cause whatsoever while in transit during the course of collection, presentation or payment between any office of the **Insured Entity** and any place worldwide. In the event any **Financial Organisation** on which an item is drawn returns such item to the **Insured Entity**, such item shall be deemed to be in transit until the item is received by the **Insured Entity**.

Special Condition

The **Insured Entity** shall make and retain a permanent electronic record of each **Cash Letter**.

The **Insured Entity** shall be deemed to have complied with this special condition in the event that no electronic record is available owing to:

- (a) the failure of the equipment used in making such record;
- (b) the damage to or destruction of the record from any cause;
- (c) the failure of the record to reveal a readable picture of such item; or
- (d) an error or omission on the part of any **Employee**.

1.8 Identity Fraud Costs

By reason of the payment of **Identity Fraud Costs**.

1.9 Fraudulent Retention of Funds or Property

By reason of the **Fraudulent Retention** by the third party recipient of **Covered Funds** misdirected or erroneously transferred by the **Insured Entity** or by an **Employee** or by a **Financial Organisation** acting upon instructions received from any of the foregoing persons as a direct result of:

- (a) the **Inadvertent Misdirection** of such funds by the **Insured Entity** or by an **Employee** or by a **Financial Organisation** acting upon instructions received from any of the foregoing persons to a third party recipient other than the person or entity actually intended to receive it, or
- (b) the **Inadvertent Transfer** of a greater amount of such funds to a third party recipient than was actually intended by the **Insured Entity** or by an **Employee** or by a **Financial Organisation** acting upon instructions received from any of the foregoing persons to be transferred to such third party recipient.
- (c) the **Inadvertent Transfer** of funds by the **Insured Entity** or by an **Employee** or by a **Financial Organisation** acting upon instructions received from any of the foregoing persons to a third party recipient where such transfer should not have been effected.

Special Condition

The **Insured Entity** shall make all reasonable efforts to secure the recovery of such **Covered Funds**.

2. Extensions

2.1 Non-Renewal Extended Reporting Period

- (a) In the event that this Policy is not renewed or replaced with similar crime insurance, then the **Policyholder** (on behalf of all **Insured Entities**) shall have the right to purchase a **Non-Renewal Extended Reporting Period** of twelve (12) months upon payment of, or the agreement to pay, an additional premium of ninety per cent (90%) of the full annual premium applicable to this Policy.
- (b) To purchase the **Non-Renewal Extended Reporting Period** set forth in (a) above, the **Policyholder** must serve written notice on **Insurers** within forty five (45) days of the expiration of the **Policy Period** and must pay the additional premium within forty five (45) days of the expiration of the **Policy Period**.
- (c) If this Policy is not renewed by either the **Policyholder** or the **Insurers**, the **Policyholder** (on behalf of all **Insured Entities**) shall be entitled to a **Non-Renewal Extended Reporting Period** of sixty (60) days without payment of any premium. However, if the **Policyholder** decides to purchase the twelve (12) months **Non-Renewal Extended Reporting Period** set forth in (a) above, the afore-mentioned sixty (60) day **Non-Renewal Extended Reporting Period** shall be part of and not in addition to said twelve (12) months **Non-Renewal Extended Reporting Period**.
- (d) The **Insured Entity** shall not have the right to any **Non-Renewal Extended Reporting Period** in the event of a **Transaction**.

Provided always that, should this Policy be replaced or succeeded by any other policy (or section within any policy) with the purpose of providing crime insurance within the **Non-Renewal Extended Reporting Period** provided for herein, the **Non-Renewal Extended Reporting Period** shall terminate immediately. In the event of such termination, the premium will be returned on a pro rata basis, with such premium being returned to the **Policyholder** within fourteen (14) days of such termination, except where any claim for **Crime Loss** has been notified within the **Non-Renewal Extended Reporting Period** in which case all premium shall be deemed fully earned, unless the **Policyholder** has provided **Insurers** with a written statement which releases the **Insurers** from all liability under this Policy.

2.2 Transaction Extended Reporting Period

If a **Transaction** occurs, the **Policyholder** (on behalf of all **Insured Entities**) may elect to purchase a **Transaction Extended Reporting Period** from the **Insurers** (for any one of the periods shown below).

Period	Premium
Twelve (12) months	One hundred per cent (100%)
Any other period	As may mutually be agreed between the Policyholder and the Insurers .

The **Policyholder** must make any request for a **Transaction Extended Reporting Period** in writing no later than thirty (30) days of such **Transaction** and pay the applicable premium (shown above as a percentage of the total per annum premium stated in Item 6 of the schedule) within sixty (60) days of such **Transaction**.

If a **Transaction Extended Reporting Period** is purchased by the **Policyholder**, then:

- (i) it will take effect from the effective date of the **Transaction**; and
- (ii) the **Insurer** will refund the relevant unearned proportion of the premium stated in Item 6 of the schedule calculated pro rata as at the effective date of the **Transaction**.

In the event that the **Transaction Extended Reporting Period** is cancelled at any time by the **Policyholder**, the unearned additional premium shall be refunded forthwith to the **Policyholder**, on the proviso that the **Policyholder** has provided to the **Insurers** a written statement which releases the **Insurers** from all liability under this Policy.

2.3 New Subsidiaries

- (i) Cover under this Policy is automatically afforded to any **Subsidiary** created after the inception date of this Policy.
- (ii) Cover under this Policy is automatically afforded to any **Subsidiary** purchased or otherwise acquired after the inception date of this Policy, provided such purchased or otherwise acquired **Subsidiary** at the time of its purchase or acquisition:
 - (a) does not increase the **Policyholder's** total assets by more than twenty percent (20%) based on the **Policyholder's** latest audited consolidated financial statements or annual report; and

- (b) has not sustained a loss which would be of a type covered under the terms of this Policy with a quantum in excess of fifty per cent (50%) of the **Retention** within the preceding three (3) years; and
- (c) does not has any of its securities listed on any exchange in the United States of America.

In the event that coverage is not deemed automatic by virtue of (a), (b) or (c) above, such purchased or otherwise acquired **Subsidiary** shall nevertheless be covered under this Policy for a period of ninety (90) days from the date of purchase or acquisition.

Thereafter this Policy shall cease to provide any coverage in respect of such purchased or otherwise acquired **Subsidiary** until the **Policyholder** shall have obtained the **Insurers'** agreement to the inclusion of such **Subsidiary** following the provision of such information as the **Insurers** reasonably may deem necessary (all of which the **Insurers** will keep confidential), and the **Policyholder** accepts all special terms, conditions, exclusions and/or reasonable additional premium charge as may be reasonably required by the **Insurers** for coverage of such **Subsidiary**.

Cover under this Extension only applies to losses first discovered and sustained after the acquisition or creation of the new **Subsidiary**.

2.4 **Additional Offices, Computer Systems**

If the **Insured Entity** shall, during the **Policy Period**, establish any new offices or add to the **Insured Entity's Computer System**, other than by merger or consolidation with, or purchase or other acquisition of the assets of another business, such branch offices or addition to the **Insured Entity's Computer System** shall be automatically covered hereunder from the dates of their establishment without the requirement of notice to **Insurers** or the payment of any additional premium for the remainder of the **Policy Period**.

3. **Exclusions**

This Policy DOES NOT cover:

3.1 **Act or Omission of any Director, Member, etc (Signpost)**

Any **Crime Loss** resulting wholly or partially from any act or omission of any director, member, managing member, partner or general partner of the **Insured Entity**.

This Exclusion shall not apply to the extent that the director, member, managing member, partner or general partner is deemed to be an **Employee**.

3.2 **Act or Omission of an Employee (Signpost)**

Any **Crime Loss** resulting directly or indirectly from any act or omission of any **Employee**.

This Exclusion shall not apply to the extent that such **Crime Loss** is covered by Insuring Clause No. 1.1.

3.3 Non-Payment or Default upon any Loan

Any **Crime Loss** resulting wholly or partially from the complete or partial non-payment of or default upon any **Loan**, whether authorised or unauthorised, actual or fictitious, and whether procured in good faith or through trick, artifice, false pretences or any other fraud.

This Exclusion shall not apply to the extent that such **Crime Loss** is covered by Insuring Clause Nos. 1.1, 1.3 or 1.4.

3.4 Payments or Withdrawals Involving Items not Paid

Any **Crime Loss** resulting wholly or partially from payments or withdrawals against items received by the **Insured Entity** which are not finally paid for any reason including but not limited to forgery, trick, artifice, false pretences or any other fraud.

This Exclusion shall not apply:

- (a) to the extent that such **Crime Loss** is covered by Insuring Clause Nos. 1.1 or 1.4

3.5 Forgery, Counterfeiting or Alteration (Signpost)

Any **Crime Loss** resulting directly or indirectly from forgery, counterfeiting or alteration.

This Exclusion shall not apply to the extent that such **Crime Loss** is covered by Insuring Clause Nos. 1.1, 1.3 or 1.4.

3.6 Bills of Lading, Warehouse or Trust Receipts etc.

Any **Crime Loss** resulting directly or indirectly from any items which are or purport to be bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable, or any other bills, documents or receipts similar in nature of effect or serving a similar purpose.

This Exclusion shall not apply to the extent that such **Crime Loss** is covered by Insuring Clause No. 1.1, or except for the physical loss of any such item to the extent that such physical loss is covered by Insuring Clause No. 1.2.

3.7 Loss of Income or Profits

Any loss or deprivation of income or profits which should have accrued to the **Insured Entity**, including but not limited to loss or deprivation of interest, dividends, fees, commissions and the like.

This Exclusion shall not apply to the extent as specifically allowed in Condition 4.11 (Basis of Valuation) applicable to this Policy.

3.8 Damages

Any and all damages of any description (whether fines, penalties, punitive, exemplary or other) for which the **Insured Entity** is legally liable, other than:

- (a) direct compensatory damages (but not multiples thereof) awarded to a third party; or

(b) settlements negotiated with the **Insurers'** prior written consent,

to reimburse a third party for their direct financial loss suffered as a result of an act, omission or event covered by this Policy.

3.9 Indirect or Consequential Loss

Any indirect or consequential loss of any nature.

This Exclusion shall not apply to:

- (a) **Preparation Costs, Verification Costs, Mitigation Costs Legal Fees, Interest Receivable or Payable, Cash Letter Expenses or Identity Fraud Costs;** or
- (b) the extent as specifically allowed in Condition 4.11 (Basis of Valuation) applicable to this Policy;
- (c) direct compensatory damages as provided for under the definition of **Crime Loss**, sub-clause (b);

3.10 Voice over the Telephone

Any **Crime Loss** resulting directly or indirectly from instructions or advices made over the telephone.

This Exclusion shall not apply to the extent that such **Crime Loss** is covered under Insuring Clause Nos. 1.1 or 1.4.

3.11 Mechanical Failure etc.

Any **Crime Loss** resulting from mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, moth or vermin, electrical disturbance, **Storage Media** failure or breakdown or any malfunction or inadvertent error in programming or inadvertent errors or omissions in processing.

This Exclusion shall not apply to the extent that such **Crime Loss** is used to support or facilitate the commission of an act covered by this Policy or such **Crime Loss** is covered by Insuring Clause Nos. 1.1.

3.12 Natural Disasters

Any loss of or damage to any property (other than **Property**) whatsoever resulting directly or indirectly from typhoon, hurricane, cyclone, volcanic eruption, earthquake, subterranean fire or other convulsion of nature and contemporaneous or ensuing loss or damage by fire, flood or looting.

3.13 Accessing of a Computer etc.

Any **Crime Loss** resulting directly from the accessing of a computer or non-physical communications system.

This Exclusion shall not apply to the extent that such **Crime Loss** is covered under Insuring Clause Nos. 1.1 or 1.4.

3.14 Accessing of any Confidential Information

Any **Crime Loss** resulting from the accessing of any confidential information including, but not limited to, trade secret information, computer programs or customer or client information owned by or held by the **Insured Entity** for any purpose.

This Exclusion shall not apply to the extent that such confidential information is used to support or facilitate the commission of an act covered by this Policy.

3.15 "Off the Shelf" Software

Any **Crime Loss** resulting from **Computer Programs** which contained fraudulent features at the time of their acquisition from a vendor or consultant, where those **Computer Programs** were developed for sale to or are sold to multiple consumers.

This Exclusion shall not apply where:

- (a) no other purchaser of said **Computer Programs** has notified the same vendor or consultant of the same fraudulent features during a period of thirty (30) days from the date of **Discovery**; or
- (b) at the time of **Crime Loss** such fraudulent features are contained solely on the **Computer Programs** sold to the **Insured Entity**; or
- (c) such fraudulent features were inserted subsequent to the date of acquisition by the **Insured Entity**; or
- (d) such **Crime Loss** is covered under Insuring Clause No. 1.1.

3.16 War and Civil War

Any **Crime Loss** which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, 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, or the act of any lawfully constituted Authority.

3.17 Radioactive Contamination

Any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature 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; or
- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3.18 Prior Discovery

Any **Crime Loss Discovered** prior to the inception date of this Policy;

3.19 Retroactive Date

Any **Crime Loss** arising out of, or in connection with any fact, circumstance or event which occurred prior to the Retroactive Date specified in Item 12 of the Schedule (if any).

4. Conditions

4.1 Limit of Indemnity

The total aggregate liability of the **Insurers** for all **Crime Loss Discovered** during the **Policy Period** (or, if exercised, during the **Extended Reporting Period**) shall not exceed the **Limit of Indemnity**. The **Limit of Indemnity** shall be reduced by the amount of any payment made under this Policy.

4.2 Retention

- (a) The **Insurers** shall only be liable for the amount by which each **Single Crime Loss** exceeds the **Retention**.
- (b) The **Retention** shall not apply with respect to any **Plan** where such **Plan** is required by law to comply with the Employee Retirement Income Security Act 1974 (USA) (ERISA).

4.3 Notification and Discovery

- (a) The **Insured Entity** shall give written notice to **Insurers**, as soon as reasonably practicable and in any event within:
 - (i) ninety (90) days after **Discovery** and prior to the expiration date of the **Policy Period** (or, if exercised, during the **Extended Reporting Period**); or
 - (ii) sixty (60) days following the expiration date of the **Policy Period** (or, if exercised, the **Extended Reporting Period**) as long as notice is given to the **Insurers** within sixty (60) days after **Discovery**.
- (b) All notifications of **Crime Loss** shall be made in writing to the **Insurers** via the organisation shown in Item 8 of the Schedule, which shall be deemed notice to all **Insurers**. The date of posting or the date that the e-mail was sent shall constitute the

date that notice was given, and proof of posting or proof that the e-mail was sent shall be sufficient proof of notice.

4.4 Co-operation

The **Insured Entity** shall co-operate as far as may be reasonably required with the **Insurers** and/or their appointed representatives in all matters pertaining to any **Crime Loss** notified hereunder. The **Insured Entity** shall, upon request and at all times and places designated by the **Insurers**, provide for examination all pertinent records including audit records of its accountants and provide for interview any **Employees** or other natural persons, whom the representative reasonably demonstrates to be relevant to his or her enquiries and relating directly to the **Crime Loss**. The **Insured Entity** agrees to execute all papers and render all assistance to secure all rights, title, interest and causes of action as it may have against any **Person or Organisation** in connection with any **Crime Loss** notified hereunder, and to do nothing to prejudice such rights or causes of action. If **Insurers** appoint a representative to report to them upon any **Crime Loss**, then the costs so incurred by **Insurers** (as distinguished from costs and expenses incurred by or on behalf of the **Insured Entity**) shall not form part of the **Limit of Indemnity** or the **Retention**.

Nothing in this condition shall require the **Insured Entity** to disclose to the **Insurers** any document which is legally privileged in circumstances where the **Insured Entity** has been legally advised that its disclosure to the **Insurers** may result in loss of that legal privilege.

4.5 Proof of Crime Loss

In relation to any **Crime Loss** which is notified to the **Insurers**, the **Insured Entity** shall within six (6) months after giving written notice of such **Crime Loss** to the **Insurers** (or such further period as agreed between the **Insured Entity** and **Insurers**), use reasonable endeavours to provide **Insurers** with proof of **Crime Loss** in writing, together with full particulars.

The **Insured Entity** shall not be required to specifically identify an **Employee** by name in any proof of **Crime Loss** under Insuring Clause No. 1.1 of this Policy if it is unable, after reasonable effort, to do so, provided that the **Insured Entity** proves on a balance of probabilities that such **Crime Loss** must have been caused by a **Wrongful Act** of any **Employee**.

4.6 Recoveries

All recoveries from third parties for payments made under this Policy shall be applied (after first deducting the costs and expenses incurred in obtaining such recovery) in the following order of priority:

- (a) firstly, the **Insured Entity** shall first be reimbursed for the amount by which their loss or legal liability exceeds the **Limit of Indemnity** provided by this Policy;
- (b) secondly, the **Insurers** shall then be reimbursed for the amount of their liability under this Policy; and
- (c) finally, any remaining sum shall be applied towards reimbursement of the **Retention** borne by the **Insured Entity** under this Policy.

4.7 Cancellation or Termination

- (i) This Policy shall automatically terminate immediately:
 - (a) upon receipt by the **Insurers** of a written request by the **Policyholder** to terminate this Policy;
 - (b) upon exhaustion of the **Limit of Indemnity** by one or more payments made under this Policy in which event the premium for this Policy is deemed to be fully earned.

Insurers shall refund any unearned premium computed at pro-rata if terminated in the manner described in (i) (a) above, with such unearned premium being returned to the **Policyholder** within fourteen (14) days of such termination.

In the event that there are any paid **Crime Loss(es)**, the premium shall be deemed to be fully earned. Any return of premium shall also be subject to a written full release of liability from the **Policyholder** to the **Insurers**.

- (ii) This Policy may only be cancelled by the **Insurers** for non-payment of premium by the date agreed by the **Policyholder** and **Insurers**.

It is agreed that **Insurers** shall give not less than fifteen (15) days prior notice of cancellation in accordance with the above, to the **Policyholder** via the broker. If the premium due is paid in full to **Insurers** before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Policy shall automatically terminate at the end of the notice period.

4.8 Changes in Risk during Policy Period

- (i) If during the **Policy Period** a **Transaction** occurs, then cover provided under this Policy shall be amended to apply only to act(s) or omission(s) committed or event(s) occurring prior to the effective date of the **Transaction**. However, the **Policyholder** may elect to purchase a **Transaction Extended Reporting Period**.
- (ii) In the event of the receivership, liquidation or administration of any **Insured Entity** (other than the **Policyholder**) during the **Policy Period**, then the cover provided in respect of such **Insured Entity** shall be amended to apply only to act(s) or omission(s) committed or event(s) occurring prior to the effective date of such receivership, liquidation or administration.

With respect to any of the events described above, the **Insurers** may, after having been furnished by the **Policyholder** with full particulars of any such event, offer revised terms and conditions in writing.

4.9 Other Insurance

Unless otherwise required by law, any insurance as is provided by this Policy shall exclude **Crime Loss** covered by any other valid and collectible insurance to the benefit of the **Insured Entity**.

Provided, however, that this Condition shall not apply to the amount by which any **Crime Loss** exceeds:

- (a) the limit of insurers' liability and any deductible/excess/retention under such other insurance; or
- (b) the **Retention**,

whichever is the greater of (a) or (b), except insurance written specifically as excess over the **Limit of Indemnity**.

If (a) above is applicable by virtue of this Condition, the **Retention** herein shall not be applied.

4.10 Defence of any Claim

- (a) The defence of any **Claim** where the relevant **Responsible Person** believes that the **Crime Loss** arising out of such **Claim** will be below or equal to the **Retention** may, at the **Insured Entity's** sole election, be conducted by the **Insured Entity** or any lawyer(s) selected by the **Insured Entity**.
- (b) For any **Claim** where the relevant **Responsible Person** believes that the **Crime Loss** arising out of such **Claim** is anticipated to be above the **Retention**, **Insurers** shall be entitled to associate with the **Insured Entity** in the defence or settlement or compromise of any **Claim**.
- (c) If the **Insured Entity** or **Insurers** wish to propose a settlement offer to a third party claimant in respect of any **Claim**, the **Insurers** and the **Insured Entity** shall discuss that settlement opportunity and its potential terms and shall adhere to the following provisions of this Condition. However the **Insured Entity** may propose and settle any such **Claim** (and admit liability as part of any such settlement) without **Insurers'** prior written consent where the **Claim** is for an amount not exceeding the **Retention**.
- (d) In the event of the **Insured Entity** and **Insurers** being unable to agree as to the proposed settlement where the **Claim** is for an amount in excess of the **Retention** and/or admission of liability then (at the election of either party) the dispute shall be resolved in accordance with the provisions of Condition 4.15 (Disputes).
- (e) **Insurers** may at any time pay to the **Insured Entity** in connection with any **Claim** or series of **Claims** notified hereunder the remaining portion of the **Limit of Indemnity** (after deduction of any **Crime Loss** already paid by **Insurers**) or any lesser amount for which such **Claim** or **Claims** can be settled and upon which payment being made **Insurers** shall be under no further liability in connection therewith and shall (except with respect to any subrogation action) relinquish their entitlement to associate with the **Insured Entity** in such **Claim** or **Claims**.

4.11 Basis of Valuation

The valuation of any **Crime Loss** under this Policy shall be determined as follows:

(a) Securities

- (i) If **Securities** are able to be reissued then the **Insured Entity** may reissue them, or arrange for them to be reissued, with the prior approval of the **Insurers** (such approval shall not be unreasonably denied, delayed or withheld) and the value of those **Securities** shall be the actual cost of their reissue plus any interest charges incurred in doing so.
- (ii) To the extent that the **Limit of Indemnity** is not exhausted by the **Insured Entity** in the reissuing of **Securities** in accordance with sub-clause (a) (i) above, the direct financial loss shall also include any premium required to be paid by the **Insured Entity** to purchase lost instrument bonds for the reissuing of duplicate **Securities** without reference to their total face value.
- (iii) The direct financial loss shall also include any sums which the **Insured Entity** may be required to pay either during the **Policy Period** or any time thereafter by reason of any lost instrument bonds issued or purchased by the **Insured Entity** as referred to in sub-clause (a) (ii) above.
- (iv) The **Insured Entity** shall pay the cost of obtaining such lost instrument bond referred to in sub-clause (a) (iii) above for that portion of the direct financial loss which falls within the **Retention** or which is in excess of the **Limit of Indemnity** remaining available for the payment of direct financial loss.
- (v) The **Insurers** shall reimburse the **Insured Entity** for the cost of obtaining such lost instrument bond referred to in sub-clause (a) (iii) above for that direct financial loss which exceeds the **Retention** and is within the **Limit of Indemnity**.
- (vi) If for any reason it is not possible to re-issue **Securities**, the value of such **Securities** shall be determined by the closing London market value of such **Securities** on the day of **Discovery** (or if **Discovered** during a weekend or national holiday, on the next **Business Day** thereafter). The basis of valuation shall include any accrued interest (including coupons), dividends and privileges up to the date of **Discovery**.
- (vii) The valuation of **Securities** shall include external interest or interest charges up to the date of **Discovery** necessarily incurred by the **Insured Entity**, or for which the **Insured Entity** is legally liable, as the direct result of a loss of **Securities** covered under this Policy.
- (viii) In case of a loss of subscription, conversion, redemption or other similar privileges, the value of such privileges shall be the closing London market value of such privileges immediately preceding the expiration thereof.

(b) Precious Metals

The value of precious metals shall be determined by their average London market value on the day of **Discovery** (or if **Discovered** during a weekend or national holiday, on the next **Business Day** thereafter).

(c) Electronic Data, Electronic Communications and Computer Programs

- (i) To the extent that a direct financial loss comprises solely the cost of reconstituting **Electronic Data, Electronic Communications or Computer Programs** following the **Impairment** of such **Electronic Data, Electronic Communications or Computer Programs**, the valuation of such **Electronic Data, Electronic Communications or Computer Programs** shall be the cost of labour for the actual transcription or copying in order to reproduce such **Electronic Data, Electronic Communications or Computer Programs**, including the cost of purchasing a software licence necessary to reproduce such **Electronic Data, Electronic Communications or Computer Programs**.

If **Electronic Data or Computer Programs** were purchased from a third party, the valuation of such **Electronic Data or Computer Programs** shall include the purchase price of that **Electronic Data or Computer Programs** from that third party if that price is less than the cost of transcription or copying.

- (ii) If **Electronic Data** cannot be reproduced and that **Electronic Data** represents:

(A) **Securities**, or other instruments having a value, then the valuation shall be as indicated in sub-clause (a) 'Securities' above; or

(B) **Evidences of Debt**, then the valuation of such items shall be as indicated in sub-clause (a) 'Securities' above. If such **Evidences of Debt** cannot be valued as indicated in sub-clause (a), **Securities** above, then the **Evidences of Debt** shall be valued in accordance with sub-clause (h) 'Lending'. In the event that it is not possible to value the **Evidences of Debt** as indicated in sub-clause (a) 'Securities' above or in accordance with in sub-clause (h) 'Lending' below, then the valuation of such **Evidences of Debt** shall be the actual monetary value of the debt on the day of **Discovery** (or if **Discovered** during a weekend or national holiday, on the next **Business Day** thereafter);

(C) Money (in physical format), **Cheques** or other payable orders, then the valuation of such **Electronic Data** shall be its actual monetary value at the time of direct financial loss. However, in the event that such direct financial loss is suffered in a currency other than the currency stated in the Schedule, then the valuation of such **Electronic Data** shall be as indicated in sub-clause (g) 'Currency Valuation' below.

(d) Storage Media

The value of **Storage Media** shall be the replacement cost of **Storage Media** of the equivalent kind or quality plus the value of any **Electronic Data** or **Computer Programs** stored on such **Storage Media**, as described in sub-clause (c) 'Electronic Data, Electronic Communications and Computer Programs' above.

(e) Books of Accounts and Records

The value of books of accounts or other records used by the **Insured Entity** in the conduct of their business, shall be 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 Entity** in order to reproduce such books and other records.

(f) Other Property

In the case of the loss of, damage to, or destruction of any **Property** other than as described in sub-clauses (a) to (e) above, the value of such **Property** shall be the actual cash value of such **Property** on the day of **Discovery** (or if **Discovered** during a weekend or national holiday, on the next **Business Day** thereafter).

(g) Currency Valuation

In the event that a **Crime Loss** is suffered in a currency other than the currency stated in the Schedule, the rate of exchange applicable thereto for the purposes of determining the valuation of **Crime Loss** shall be the closing mid-spot rate on the London market on the day of **Discovery** (or if **Discovered** during a weekend or national holiday, on the next **Business Day** thereafter).

(h) Lending

The value of any direct financial loss sustained in relation to **Lending** shall be:

- (i) the amount of monies paid out, advanced or withdrawn by the **Insured Entity**;
- less
- (ii) all monies received and able to be lawfully retained by the **Insured Entity** from any source whatsoever, including payments and receipt of interest, principal, commissions, or similar compensation,

in relation to such **Lending**.

(i) Interest Receivable or Payable

The amount of any **Interest Receivable or Payable** shall be calculated by applying the average of the Central Bank of Malaysia base rate (or, if interest is awarded against the **Insured Entity** in a jurisdiction other than that of England and Wales, the applicable central bank base rate) in force between the time of sustaining a direct financial loss and the day of **Discovery**.

4.12 Action against Service Bureau, Custodian, Network Provider, Customer or Client

This Policy does not afford coverage in favour of any **Service Bureau, Custodian, Network Provider** or customer or client of the **Insured Entity** and upon payment to the **Insured Entity** by the **Insurers** on account of any **Crime Loss** through **Wrongful Acts** committed by any of the partners, directors, officers or employees of such **Service Bureau, Custodian, Network Provider**, customer or client, an assignment of such of the **Insured Entity's** rights and causes of action as they may have against such **Service Bureau, Custodian, Network Provider**, customer or client by reason of such acts so committed shall, to the extent of such payment, be given by the **Insured Entity** to the **Insurers**, and the **Insured Entity** shall execute all papers necessary to secure to the **Insurers**, or to one of the **Insurers** designated by **Insurers**, the rights herein provided for.

4.13 Subrogation

It is agreed that the **Insurers** upon payment of any **Crime Loss** hereunder shall become subrogated to all rights, title, interest and causes of action of the **Insured Entity** in respect of such **Crime Loss**. The **Insurers** shall advise the **Insured Entity** before exercising such rights of subrogation.

4.14 Subsidiary and Plan Cover

Cover under this Policy shall only apply for **Crime Loss(es) Discovered** in respect of any **Subsidiary** and any **Plan** for any act, omission or event covered hereunder committed or occurring after the date that the **Subsidiary** is purchased or acquired or whilst such **Plan** is or was maintained by the **Insured Entity** and whilst such company or entity is or was a **Subsidiary** or **Plan**. However, upon written request by the **Policyholder**, the **Insurers** shall consider granting cover for any act, omission or event covered hereunder committed or occurring prior to the purchase or acquisition of a **Subsidiary** or **Plan** following the provision of such information as the **Insurers** reasonably may deem necessary (all of which the **Insurers** will keep confidential), and the **Policyholder** accepts all special terms, conditions, exclusions and/or reasonable additional premium charge as may be reasonably required by the **Insurers** for coverage of such purchased or otherwise acquired **Subsidiary** or **Plan**.

4.15 Disputes

- (a) In the event that a dispute arises between the Insurers and the Insured Entity regarding any aspect of this Policy or any matter relating to cover thereunder, the Insurers and the Insured Entity shall endeavour to resolve the dispute amicably. If, however, the dispute remains unresolved within forty ninety (90) days of that dispute first arising, the Insured Entity may provide the Insurers with seven (7) days written

notice of its election for that dispute to be referred to and resolved by either of the following methods:

- (i) by binding determination of Counsel (to be mutually agreed, or in default of agreement, the Insured Entity is to select one of the three Counsel nominated by the Insurers); or
- (ii) the courts of Malaysia.

If the Insured Entity elects for the dispute to be resolved by reference to Counsel, such determination will be based upon written submissions only and the costs of the Counsel will be borne equally between the Insurers and the Insured Entity.

If the Insured Entity elects for the dispute to be resolved by reference to the courts of Malaysia, such courts shall have exclusive jurisdiction in relation to such dispute.

4.16 Third Party Rights

It is agreed that:

- (a) this Policy is not intended to confer any benefits or enforceable rights on any party other than the **Insured Entity** whether or not such other interest is noted on this Policy;
- (b) **Insurers** and the **Insured Entity** shall be entitled to rescind or vary this Policy in any way without the consent of any other party whether or not an interest of such other party is noted on this Policy; and
- (c) in the event of a **Claim** (whether proceedings are commenced or not) by a party other than the **Insured Entity** against **Insurers** for the enforcement of any term of this Policy, **Insurers** shall be entitled to raise by way of defence or set-off matter which could have been made by the **Insured Entity**.

4.17 Non-Avoidance

- (a) The **Insurers** will not:
 - (i) avoid or repudiate this Policy; or
 - (iii) seek damages for or seek to reject a claim or **Crime Loss** or exercise any other legal remedy,

on the grounds of non-disclosure or misrepresentation or untrue statement or on the grounds of a breach of any warranty by the **Insured Entity** (or by any agent of the **Insured Entity**, including an agent to insure), except where such alleged non-disclosure, misrepresentation or untrue statement was of fraudulent conduct or intended to deceive or such breach of any warranty was intentional.

- (b) Any avoidance or repudiation, rejection or exercising of other legal remedy as set forth in sub-clause (a) above shall only apply to the **Insured Entity** responsible for the fraudulent non-disclosure, fraudulent misrepresentation, untrue statement or intentional breach of any warranty.
- (c) This Non-Avoidance Clause overrides the terms of any language that may be contained in this Policy or the proposal or application form to the contrary.

4.18 Policy Interpretation

The construction, interpretation and meaning of the terms, exclusions, limitations and conditions of this Policy shall be determined in accordance with the law(s) of Malaysia and in accordance with the English text as it appears in this Policy.

This Policy, the Schedule and any Endorsements are one contract, in which unless the context otherwise requires:

- (a) headings are descriptive only, not an aid to interpretation;
- (b) words or expressions in the singular includes the plural, and vice versa;
- (c) the male includes the female and neuter;
- (d) words in bold typeface have special meaning and are defined;
- (e) words that are not specifically defined in this Policy have the meaning normally attributed to them;
- (f) all references to specific legislation shall include amendments to and re-enactments of such legislation; and
- (g) references to positions, offices or titles shall include their equivalents in any jurisdiction.

Nothing in this Policy shall be a condition precedent or a warranty unless expressly stated to be one in this Policy.

5. Definitions

5.1 Acceptance

a **Bill of Exchange** upon which is signified by the drawee **Financial Organisation** its assent to the order of the **Financial Organisation** drawer.

5.2 Account Code

a confidential and protected string of characters that identifies or authenticates a person and permits said person to gain access to a **Telephone System** for the purpose of making long distance toll calls or utilising voice mail box messaging capabilities or other similar functional features of said **Telephone System**.

5.3 Bill of Exchange

an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer.

5.4 Business Day

any day except Saturdays, Sundays, Christmas Day, Good Friday and any bank holiday in the United Kingdom.

5.5 Cash Letter

any letter dispatched by the **Insured Entity** or any correspondent bank itemizing by separate amounts all **Cheques, Promissory Notes, Drafts**, or any other non-negotiable item enclosed therewith, which shall have been accepted by the **Insured Entity** for deposit, payment or collection.

5.6 Cash Letter Expenses

telephone expenses, wages paid to extra **Employees** or overtime wages to regular **Employees**, incurred by the **Insured Entity** in identifying the depositors of lost items and/or in assisting depositors in obtaining duplicates thereof.

5.7 Certificate of Deposit

a written acknowledgement by a **Financial Organisation** of a deposit of funds with promise to pay to depositor to his order, or to some other person or to his order said deposit with interest on a specified date.

5.8 Certificate or Document

any policy document, death certificate, official declaration of presumption of death, marriage certificate, birth certificate or other official identification document.

5.9 Certificated Security

a share, participation or other interest in property of or an enterprise of the issuer or an obligation of the issuer, which is:

- (a) represented by an instrument issued in bearer or registered form; and
- (b) of a type commonly dealt in on securities exchanges or markets or commonly recognised in any area in which it is issued or dealt in as a medium for investment; and
- (c) either one of a class or series or by its terms is divisible into a class or series of shares, participations, interest or obligations.

5.10 Cheque

a **Bill of Exchange**, drawn on a **Financial Organisation** directing it to pay the sum specified on demand.

5.11 Cheque Procured By Impersonation

any **Cheque** or **Draft** procured in a face to face transaction with the **Insured Entity**, or any **Financial Organisation**, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated.

5.12 Claim

any demand, claim, suit, or legal proceeding with respect to which the **Insured Entity** establishes that the act(s) or omission(s) which were committed (or omitted) or event(s) occurring would entitle the **Insured Entity** to recovery under this Policy if a **Crime Loss** resulted therefrom.

5.13 Computer Misuse

- (a) the **Impairment** of any:
 - (i) **Electronic Data** (including any **Electronic Data** contained in **Electronic Communications**);
 - (ii) **Computer Programs** (including any **Electronic Data** contained in **Electronic Communications**);
 - (iii) **Uncertificated Security**;
- (b) the introduction of **Malicious Code**;
- (c) the **Insured Entity**, or any **Financial Organisation** or **Service Bureau** acting on behalf of the **Insured Entity**, having acted or relied upon the **Impairment** of any **Electronic Communications**;

- (d) the **Insured Entity**, or any **Financial Organisation** acting on behalf of the **Insured Entity**, having acted or relied upon any **Electronic Communications** purporting to have been, but which were not, sent by:
 - (i) another office or department of the **Insured Entity**;
 - (ii) a **Financial Organisation**;
 - (iii) a customer or client of the **Insured Entity**; or
 - (iv) a **Service Bureau**; or
- (e) a **Financial Organisation**, a customer or client of the **Insured Entity** or a **Service Bureau** having acted or relied upon any **Electronic Communications** purporting to have been, but which were not, sent by:
 - (i) the **Insured Entity**; or
 - (ii) any **Financial Organisation** acting on behalf of the **Insured Entity**.

5.14 **Computer Programs**

a collection of instructions that describes a task, or set of tasks, to be carried out by a **Computer System**, including but not limited to application software, operating systems, firmware and compilers.

5.15 **Computer System**

a computer and all input, output, processing, storage (including off-line media libraries), intranets and communication facilities including related communication or open systems networks and extranets which are connected directly or indirectly to such a device.

5.16 **Contents**

furnishings, fixtures, equipment, stationery, or safes and vaults, either owned by the **Insured Entity** or for which the **Insured Entity** is liable in the event of the physical loss of, destruction of, or damage to, such items.

Contents does not include computers, **Computer Programs**, **Storage Media**, **Electronic Data** and any other computer or computer related equipment.

5.17 **Corporate Card Application**

any document required in conjunction with an application for any credit card or corporate charge card issued to the **Insured Entity** or at the request of the **Insured Entity** for use by the **Insured Entity's** directors, members, managing members, partners, general partners, officers or **Employees**.

5.18 **Corporate Identity**

the publicly available data on file within the **Computer System** of an **Insured Entity** or an official registry or of any other party which relates to the **Insured Entity's** formation and

genuine identity, including memoranda and articles of association, statutorily required returns or filings, official records of regulatory authorisations, licence or permits and records of legal compliance or infractions, and the purpose of which is to publicly document, authenticate or prove the existence and good standing of the entity or which may be relied upon by investors, financial organisations, vendors, credit reporting authorities and others in assessing and establishing the **Insured Entity's** credit ratings and/or good standing.

5.19 Counterfeit

a reproduction or an imitation of any instrument which is intended to deceive and to be taken as the authentic original instrument.

5.20 Crime Loss

- (a) direct financial loss sustained at any time by the **Insured Entity** (or by any person or organisation following the loss of funds, **Securities, Property** or other property which are held by, deposited with, or under the care, custody or control of, the **Insured Entity** or for which the **Insured Entity** is legally liable);
- (b) direct compensatory damages (but not multiples thereof) awarded to a third party or settlements negotiated with the **Insurers'** consent to reimburse a third party for their direct financial loss suffered as a result of an act, omission or event covered by this Policy;
- (c) **Preparation Costs;**
- (d) **Verification Costs;**
- (e) **Mitigation Costs;**
- (f) **Legal Fees;** and
- (g) **Interest Receivable or Payable.**

Crime Loss, solely in respect of:

- (i) Insuring Clause 1.7 (Cash Letter) of this Policy, shall also include **Cash Letter Expenses;**
- (ii) Insuring Clause 1.8 (Identity Fraud Costs) of this Policy, shall also include **Identity Fraud Costs.**

5.21 Custodian

- (a) any central securities depository or international securities depository (and any agent or sub-custodian of a central securities depository or international central securities depository); or
- (b) any party which provides purchasing services, safekeeping, registration and entitlement records or other custodial duties for the **Insured Entity.**

Sub-paragraph (b) above shall also include a sub-custodian, being a natural person or organisation involved in the provision of custodial services in relation to **Securities** and subject to regulation and supervision by a regulatory body or agency or government, with which the custodian enumerated in (b) above has a written or electronic agreement for the provision of such services.

5.22 Derivatives

contracts for difference, futures, options, forward contracts, swaps, indices, strips, hedges, and the like and any instruments, contracts or transactions the value, performance or outcome of which is based upon, determined by or otherwise derived from underlying movements in prices or values, including but not limited to the price or value of any asset in the Definition of **Trading**, or in any exchange rates, interest rates, or any market index.

5.23 Discovered or Discovery

means when a **Responsible Person** first:

- (a) becomes aware of facts which causes that **Responsible Person** to believe that a **Crime Loss** (other than **Legal Fees** or an award of direct compensatory damages to a third party) is reasonably likely to be covered by this Policy regardless of when the acts, omissions or events causing or contributing to such **Crime Loss** occurred;
- (b) receives notice of an actual or potential **Claim** which causes that **Responsible Person** to believe that **Legal Fees** or an award of direct compensatory damages to a third party is reasonably likely to be incurred by or made against the **Insured Entity** and covered by this Policy.

5.24 Draft

a **Bill of Exchange** payable on demand, drawn by or on behalf of a **Financial Organisation** upon itself, whether payable at the head office or other office of the **Insured Entity**.

5.25 Electronic Communication System

systems which permit the digital transmission of instructions, messages, information or payments, including but not limited to:

- (a) touch tone telephone communication systems;
- (b) telex and telefacsimile; and
- (c) **Computer Systems** which operate automated teller machines or point of sale terminals.

5.26 Electronic Communications

instructions, messages, information or payments that have been:

- (a) transmitted digitally:

- (i) through an **Electronic Communication System**;
 - (ii) over the **Internet**; or
- (b) communicated through the delivery of **Storage Media**.

5.27 Electronic Data

facts or information (including but not limited to text, numbers, sounds and images) converted to a form usable in a **Computer System** or an **Electronic Communications System** and which are stored on or capable of being stored on **Storage Media**.

5.28 Employee or Employees

- (a) the **Insured Entity's** officers and other full, part-time, contract or temporary staff compensated by salary or wages and whom the **Insured Entity** has the right to govern and direct in the performance of their duties (including a director, member, managing member, partner or general partner of the **Insured Entity** who is employed as a salaried officer or employee but only in their capacity as such) while acting in the course of their employment by the **Insured Entity**;
- (b) a director, member, managing member, partner or general partner of the **Insured Entity** (other than one who is employed as a salaried officer or employee) but only while:
 - (i) performing acts coming within the scope of the usual duties of an employee; or
 - (ii) acting as a member of a committee duly elected or appointed by resolution of a board of directors / members / partners of the **Insured Entity** to perform specific, as distinguished from general, directorial acts on behalf of the **Insured Entity**;
- (c) guest students, volunteers or interns while pursuing studies or performing duties at any of the premises of the **Insured Entity**;
- (d) a natural person provided by an employment agency or independently contracted to perform employee duties for the **Insured Entity** under the **Insured Entity's** supervision;
- (e) natural persons working solely for, or on secondment to, the **Insured Entity** under the **Insured Entity's** supervision;
- (f) natural persons under written or implied contract as consultants to the **Insured Entity** whilst performing services or duties on behalf of the **Insured Entity** (including, without limitation any retired director, member, managing member, partner, general partner, officer or employee of the **Insured Entity** who has been retained as a consultant to the **Insured Entity**);
- (g) employees of the **Network Provider** used by the **Insured Entity** and with whom the **Insured Entity** has signed a written or electronic agreement solely in connection

with their activities under such written or electronic agreement in relation to the **Relevant System**;

- (h) lawyers, solicitors (other than sole practitioners) and/or barristers and their employees, whilst performing duties on behalf of the **Insured Entity**;
- (i) any natural person:
 - (1) duly appointed as a trustee, fiduciary, administrator or officer of any **Plan**; or
 - (2) serving as a director, member, managing member, partner, general partner, manager, officer or employee of the **Policyholder**, **Subsidiary** or any **Plan**, whilst engaged in handling funds or other property (including **Property**) of such **Plan**;
- (j) any natural person or organisation used by the **Insured Entity** to provide services to or for the **Insured Entity** in an outsourcing capacity, while acting on behalf of the **Insured Entity** under written or electronic contract or agreement or whilst in the possession of funds or property belonging to the **Insured Entity** or in which the **Insured Entity** has an interest. Each such natural person or organisation and its partners, officers or employees shall, collectively, be deemed to be one **Employee**.

Employee shall also include any and all of the foregoing natural persons for a period not exceeding sixty (60) days following the termination of their employment or appointment with the **Insured Entity**, other than when such termination is as a result of a dishonest, fraudulent or malicious act of the type covered under this Policy.

5.29 Evidences of Debt

instruments or agreements in either physical form or as **Electronic Data** executed by a customer or client of the **Insured Entity** and held by the **Insured Entity** which in the regular course of business are treated as evidencing the customer's or client's debt to the **Insured Entity** including records of charges and accounts receivable.

5.30 Extended Reporting Period

the **Non-Renewal Extended Reporting Period** or the **Transaction Reporting Period**, as applicable.

5.31 Faulty

- (a) defective by reason of the signature on the **Mortgage Instrument** of any person having been obtained through trick, artifice, fraud or false pretences;
- (b) defective by reason of the signature on the recorded deed conveying real property to the mortgagor or grantor of the deed of trust having been obtained by or on behalf of the mortgagor or grantor of such instrument through trick, artifice, or false pretences;
- (c) forged as to signature; or
- (d) fraudulently altered.

5.32 Fictitious Payee Cheque

any **Cheque** or **Draft** made or drawn in the name of the **Insured Entity**, payable to a fictitious payee and endorsed in the name of the fictitious payee.

5.33 Financial Organisation

- (a) any bank, credit institution, financial institution, undertaking for collective investment in securities, investment firm, asset management company, building society, friendly society, or similar organisation;
- (b) a recognised investment exchange, recognised clearing house, designated investment exchange or designated clearing house, overseas investment exchange or overseas clearing house;
- (c) any regulated investment exchange or clearing house of the same type and nature as described in (b) above operating in any other country worldwide;
- (d) any **Custodian**.

5.34 Forged Signature

the hand-written signing of the name of another genuine person or a mechanically or electronically produced or reproduced copy of said person's signature without authority and with intent to deceive.

Forged Signature does not include the signing, producing or reproducing in whole or in part of one's own name, with or without authority, in any capacity, for any purpose.

Any endorsement upon a written instrument of value of a fictitious name, or an endorsement upon a written instrument of value procured in a face to face transaction of the name of anyone impersonated, shall be deemed to be a **Forged Signature**.

Telefacsimile transmissions or **Written Instructions** by a person other than the person purporting to send such telefacsimile or **Written Instructions** shall be deemed to bear a **Forged Signature**.

5.35 Fraudulent Payroll Cheque

any payroll **Cheque**, **Draft** or payroll order made or drawn by the **Insured Entity**, payable to the bearer as well as to the named payee and endorsed by anyone other than the named payee without authority from such payee.

5.36 Fraudulent Retention

Fraudulent Retention means the wrongful retention of **Covered Funds** to which the third party recipient had no legal or contractual right, or where such **Covered Funds** have been misappropriated or misapplied by another following receipt thereof.

Covered Funds means funds owned by the **Assured**, held by the **Assured** in any capacity or for which the **Assured** is legally liable.

Inadvertent Misdirection or **Inadvertent Transfer** of a wire transfer of **Covered Funds** means only the accidental, unintentional transfer of **Covered Funds** to a third party recipient account other than the account actually intended to receive it.

The definitions of "Covered Funds" and "Inadvertent Misdirection or Inadvertent Transfer" should really be added alphabetically.

5.37 **Identity Fraud**

the fraudulent modification, alteration or corruption, or theft of any **Corporate Identity** by an **Employee** or any other party.

5.38 **Identity Fraud Costs**

reasonable:

- (a) legal and/or professional fees, costs and expenses incurred by the **Insured Entity**:
 - (i) to correct or reinstate public records following an **Identity Fraud**;
 - (ii) when applying for civil proceedings to be dismissed or withdrawn on the basis that the alleged liability resides with the perpetrator of the **Identity Fraud**, and not the **Insured Entity** or its directors, members, managing members, partners, general partners or officers;
 - (iii) when applying for criminal proceedings to be dismissed or withdrawn on the basis that the alleged offence was not committed by the **Insured Entity** but by the perpetrator of the **Identity Fraud**;
- (b) fees, costs and expenses of a private investigation agency, incurred by the **Insured Entity**, to investigate the identity of the perpetrator and his or her modus operandi in connection with **Identity Fraud**;
- (c) costs of rewriting or amending the **Insured Entity's** software programs or systems, where such rewriting or amending is necessary to correct the programs or amend the security codes following an **Identity Fraud**;
- (d) fees, costs and expenses, to procure public relations services to redress adverse publicity or reputational injury due to **Identity Fraud**.

The **Insured Entity** must seek the prior written consent of the **Insurers** before they incur any **Identity Fraud Costs**, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, it is agreed that the prior written consent of the **Insurers** shall not be required whilst the relevant **Responsible Person** believes that the total amount of **Crime Loss** (including such **Identity Fraud Costs**) is reasonably unlikely to exceed the **Retention**.

5.39 Impairment

fraudulent, dishonest, malicious or criminal:

- (a) preparation;
- (b) input;
- (c) modification;
- (d) corruption; or
- (e) deletion,

whether actual or attempted.

5.40 Instruction

a written order to the issuer of an **Uncertificated Security** signed by or appearing to have been signed by the registered owner, the registered pledgee or a person acting in a fiduciary capacity for the registered owner requesting that the transfer, pledge or release from pledge of the **Uncertificated Security** specified therein be registered.

5.41 Insurance Policy Instrument

- (a) any insurance policy;
- (b) any requested change of beneficiary in any insurance policy (including endowments) issued by the **Insured Entity**;
- (c) any insurance policy loan agreement made by the **Insured Entity**;
- (d) any assignment to the **Insured Entity** of any insurance policy (including endowments) or rights in any insurance policy or monies paid thereunder; or
- (e) any other document associated with any of those items listed in sub-clause (a) through (d) above.

5.42 Insured Entity

- (a) the **Policyholder**;
- (b) any **Subsidiary**:
 - (i) existing on or before the inception date of this Policy; or
 - (ii) created, purchased or otherwise acquired after the inception date of this Policy in accordance with Extension 2.3 (New Subsidiaries);
- (c) any **Plan**:
 - (i) existing on or before the inception date of this Policy;

- (ii) created after the inception date of this Policy; or
- (iii) for which the responsibility is assumed, either directly or indirectly by the **Policyholder**, after the inception date of this Policy by reason of the acquisition of a **Subsidiary** in accordance with Extension 2.3 (New Subsidiaries).

Insured Entity shall include any entity that falls within (a) to (c) above, established as a General Partnership, Limited Partnership, Limited Liability Partnership, Limited Liability Limited Partnership or Limited Liability Company.

Insured Entity shall also include any other entity not specifically enumerated in the foregoing, if that entity is shown under page 311 to 314 of the **Policyholder's** Annual Report dated 31st December 2018.

5.43 Insurers

the Insurer(s) or Underwriter(s) subscribing hereto.

5.44 Interest Receivable or Payable

that part of **Crime Loss** consisting of loss of any interest would have been receivable or which becomes payable by an **Insured Entity** resulting from any matter set out in Insuring Clause 1.1 to 1.9 of this Policy between the time of sustaining a direct financial loss and the date of **Discovery** of such direct financial loss.

Interest Receivable or Payable shall not include any interest which accrues after the **Discovery** of the direct financial loss which gives rise to that interest.

5.45 Internet

the worldwide, publicly accessible series of interconnected computer networks.

5.46 Legal Fees

legal fees, costs and expenses incurred and paid by the **Insured Entity** in the defence of any **Claim**.

“**Legal Fees**” do not include:

- (a) any internal or overhead expenses of the **Insured Entity**;
- (b) any salary or other remuneration of any **Employee**.

The **Insured Entity** must seek the prior written consent of the **Insurers** before they incur any **Legal Fees**, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, it is agreed that the prior written consent of the **Insurers** shall not be required whilst the relevant **Responsible Person** believes that the total amount of **Crime Loss** (including such **Legal Fees**) is reasonably unlikely to exceed the **Retention**.

No further **Retention** amount shall be applied to **Legal Fees**, other than that **Retention** amount applicable to such original direct financial loss.

5.47 Legal Fees

legal fees, costs and expenses incurred and paid by the **Insured Entity** in the defence of any **Claim**.

“**Legal Fees**” do not include:

- (a) any internal or overhead expenses of the **Insured Entity**;
- (b) any salary or other remuneration of any **Employee**.

The **Insured Entity** must seek the prior written consent of the **Insurers** before they incur any **Legal Fees**, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, it is agreed that the prior written consent of the **Insurers** shall not be required whilst the relevant **Responsible Person** believes that the total amount of **Crime Loss** (including such **Legal Fees**) is reasonably unlikely to exceed the **Retention**.

No further **Retention** amount shall be applied to **Legal Fees**, other than that **Retention** amount applicable to such original direct financial loss.

5.48 Letter of Credit

an engagement in writing by a **Financial Organisation**, made at the request of a customer or client, that the issuer will honour **Drafts** or other demands for payment upon compliance with the conditions specified in such engagement in writing.

5.49 Limit of Indemnity

the applicable amount set forth in Item 3 of the Schedule.

5.50 Loan, Loans and Lending

- (a) all extensions of credit by the **Insured Entity** and all transactions creating a creditor or debtor relationship in favour of the **Insured Entity**, including but not limited to transactions by which the **Insured Entity** assumes an existing creditor or debtor relationship and includes any such extensions of credit, whether authorised or unauthorised; or
- (b) any note, account, agreement or other **Evidence of Debt** assigned or sold to, or discounted or otherwise acquired by, the **Insured Entity** including the purchase, discounting or other acquisition of false or genuine accounts or invoices.

5.51 Malicious Code

any unauthorised, corrupting or harmful software code(s), including but not limited to computer virus(es), Trojan horse(s), keystroke logger(s), cookie(s), spyware(s), adware(s), worm(s) and logic bomb(s) introduced through a **Computer System**.

5.52 **Mitigation Costs**

reasonable costs and expenses (including buying or disposing of securities, reversing of positions, crediting accounts, close out losses and costs) incurred by the **Insured Entity** in taking action to avoid or reduce any direct financial loss which, but for such action would have been covered under this Policy.

The **Insured Entity** must seek the prior written consent of the **Insurers** before they incur any **Mitigation Costs**, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, it is agreed that the prior written consent of the **Insurers** shall not be required whilst the relevant **Responsible Person** believes that the total amount of **Crime Loss** (including such **Mitigation Costs**) is reasonably unlikely to exceed the **Retention**.

5.53 **Mortgage Instrument**

any:

- (a) deeds of trust or like instrument pertaining to real property;
- (b) mortgages upon real property and interest in real property; or
- (c) assignment of such mortgages or interests in sub-clause (b) above,

in connection with any **Loan**.

5.54 **Network Provider**

- (a) the Society for Worldwide Interbank Financial Telecommunication S.C., S.W.I.F.T. Securenent Limited, Syntegra, and/or BT Group plc; and/or
- (b) any other approved network provider.

5.55 **Non-Renewal Extended Reporting Period**

the period of time of time specified in extension 2.1 (Non-Renewal Extended Reporting Period) immediately following the expiration of the **Policy Period** during which written notice given to the **Insurers** of any **Crime Loss Discovered** during such period or the **Policy Period** which resulted from any matter set out in the Insuring Clauses of this Policy taking place prior to the expiration of the **Policy Period**, shall be treated by the **Insurer** as if such **Crime Loss** was **Discovered** and was notified to the **Insurer** during the **Policy Period**.

5.56 **Payment Instruction**

any original written instruction, written communication or written advice purporting to have been prepared by or on behalf of the **Insured Entity** to authorise the transfer, payment or delivery of funds or property (including **Property**) by or on behalf of the **Insured Entity**.

5.57 **Person or Organisation**

any individual natural person, firm, company, corporation, government, state or agency of a state or any association or partnership or other entity (whether or not any of the foregoing have separate legal personality).

5.58 **Plan**

any superannuation, pension, health, welfare, saving, investment or other plan, fund, trust or programme established, maintained or sponsored anywhere in the world on behalf of the past, present and/or future directors, members, managing members, partners, general partners, officers or employees of the **Insured Entity** or their respective beneficiaries.

5.59 **Policy Period**

the period of time specified in Item 2 of the Schedule, or such amended period as may apply because this Policy is:

- (a) cancelled or terminated before the expiry date; or
- (b) extended by endorsement.

5.60 **Policyholder**

the entity named in Item 1 of the Schedule.

5.61 **Preparation Costs**

that part of **Crime Loss** consisting of reasonable fees, costs and expenses incurred by the **Insured Entity**, for independent outside accountants, solicitors or other specialists or professional persons to determine, or attempt to determine the amount and/or extent of any direct financial loss covered by this Policy.

The **Insured Entity** must seek the prior written consent of the **Insurers** before they incur any **Preparation Costs**, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, it is agreed that the prior consent of the **Insurers** shall not be required whilst the relevant **Responsible Person** believes that the total amount of **Crime Loss** is unlikely to exceed the **Retention**.

No further **Retention** amount shall be applied to **Preparation Costs**, other than that **Retention** amount applicable to such original direct financial loss..

5.62 **Promissory Note**

an unconditional promise in writing made by one person to another signed by the maker, engaged to pay, on demand or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to bearer.

5.63 **Property**

- (a) paper currency, coins, bank notes, bullion, precious metals of all kinds and in any tangible form and articles made therefrom, jewellery, gems (including uncut gemstones), precious and semi-precious stones, stamps, postal orders;
- (b) **Insurance Policy Instruments**, travellers' cheques, **Cheques**, **Certificated Securities**, bonds, coupons, and all other types of securities, bills of lading, warehouse receipts, trust receipts, **Bills of Exchange**, **Acceptances**, **Drafts**,

Certificates of Deposit, Letters of Credit, Promissory Notes, money orders, orders upon public treasuries, **Mortgage Instruments**, title deeds, certificates of title;

- (c) all other negotiable and non-negotiable instruments or contracts representing money or other property (real or personal) representing interest in money or other property (real or personal), **Storage Media** and other valuable papers, including books of accounts and other written records,

which (except for the purposes of sub-clause (c) of Insuring Clause 1.2) are used by the **Insured Entity** in the conduct of its business or in which the **Insured Entity** has an interest, or which are held by, deposited with, or under the care, custody or control of, the **Insured Entity** (whether directly or through a **Custodian**) for any purpose or in any capacity and whether so held gratuitously or otherwise and whether legally liable therefor or not.

5.64 Relevant System

the computer-based system and procedures (including but not limited to electronic communication system facilities provided by the **Network Provider**) which enable the services described in the Euroclear plc manual to be provided and which allows dematerialised communications between the **Insured Entity** and Euroclear plc.

5.65 Responsible Person

any of the natural persons specified in Item 9 of the Schedule.

5.66 Retention

the applicable amount stated in Item 5 of the Schedule.

5.67 Security(ies)

any:

- (a) stock, shares, scrip, debentures, bonds, **Promissory Notes**, title deeds, deeds of trust, bearer instruments, letters of guarantee or other documents of value;
- (b) original (including original counterparts) negotiable or non-negotiable agreements or instruments in writing, other than as set forth in (c), (d), (e), (f) and (g) below, having value which value is, in the ordinary course of business, transferable by delivery of such agreements with any necessary endorsement or assignment, including **Cheques, Bills of Exchange, Drafts, Acceptances or Certificates of Deposit**;
- (c) original corporate, partnership or personal guarantees;
- (d) **Certificated Security**;
- (e) **Statement of Uncertificated Security**;
- (f) **Instruction**; or
- (g) assignment, transfer, bill of sale, power of attorney, stock power, or guarantee presented in connection with the transfer, pledge, or release from pledge of any

security or **Uncertificated Security** and which transfers, pledges or releases from pledge or purports to transfer, pledge or release from pledge such security or **Uncertificated Security**.

5.68 Service Bureau

a natural person, partnership or corporation authorised by written or electronic agreement with the **Insured Entity** to perform data processing services using **Computer Systems**.

5.69 Single Crime Loss

all **Crime Loss(es)** arising from or attributable to:

- (a) the acts or omissions of one natural person, whether or not such natural person is an **Employee**; or
- (b) the acts or omissions in which such natural person is concerned or implicated.

Where no such natural person is concerned or implicated, "**Single Crime Loss**" means all **Crime Loss(es)** arising from or attributable the same event or originating cause or series of related events or originating causes.

5.70 Statement of Uncertificated Security

a written statement of the issuer of an **Uncertificated Security** containing:

- (a) a description of the issue of which the **Uncertificated Security** is a part;
- (b) the number of shares or units:
 - (i) transferred to the registered owner;
 - (ii) pledged by the registered owner to the registered pledgee;
 - (iii) released from pledge by the registered pledgee;
 - (iv) registered in the name of the registered owner on the date of the statement;
 - (v) subject to pledge on the date of the statement;
- (c) the name and address of the registered owner and registered pledgee;
- (d) a notation of any liens and restrictions of the issuer and any adverse claims to which the **Uncertificated Security** is or may be subject or a statement that there are none of those liens, restrictions or adverse claims; and
- (e) the date:
 - (i) the transfer of the shares or units to the new registered owner of the shares or units are registered; or
 - (ii) the pledge of the registered pledgee was registered; or

(iii) of the statement, it is a periodic or annual statement.

5.71 Storage Media

the physical components or materials on which **Electronic Data** or **Computer Programs** can be recorded (whether recorded magnetically, digitally or otherwise).

5.72 Subsidiary

any company or entity in which the **Policyholder**, either directly or indirectly through one or more of its subsidiaries:

- (a) holds or controls the majority of the voting rights; or
- (b) has the right to appoint or remove or otherwise control the composition of:
 - (i) the board of directors of a corporate entity; or
 - (ii) the members of the management board of a Limited Liability Company, or
 - (iii) the board of partners or managers of a General Partnership, Limited Partnership, Limited Liability Partnership or Limited Liability Limited Partnership; or
- (c) holds more than half of the issued share capital; or
- (d) owns or operates more than fifty per cent (50%) in a joint venture and/or owns fifty per cent (50%) or less of an equity interest in a joint venture, and is jointly or wholly responsible for the management of the joint venture. Cover for a joint venture shall be proportional to the percentage equity directly or indirectly held by the **Policyholder**, unless agreed otherwise by **Insurers** and listed by Endorsement.

5.73 System Password

a confidential and protected string of characters that identifies or authenticates a person and permits said person to gain access to a **Telephone System** or any portion thereof in order to perform security functions, system administration or maintenance functions.

5.74 Telephone System

a private branch exchange, a third party hosted telephony service, voice mail processor, automated call-back attendant or a **Computer System** (including IP telephony) with a similar capacity.

5.75 **Telephonic Misuse**

- (a) the **Insured Entity** having acted or relied upon instructions made over the telephone purporting to have been, but which were not, made by:
 - (i) another office or department of the **Insured Entity**;
 - (ii) any **Financial Organisation**;
 - (iii) a customer or client of the **Insured Entity**; or
 - (iv) a **Service Bureau**;
- (b) a **Financial Organisation** or a customer or client of the **Insured Entity** or a **Service Bureau** having acted or relied upon instructions made over the telephone purporting to have been, but which were not, made by the **Insured Entity** or any **Financial Organisation** acting on behalf of the **Insured Entity**.

5.76 **Terrorism**

any act or acts of force or violence (whether threatened or actual) by any person or persons acting alone or on behalf of or in connection with any organisation, which is carried out for political, religious or ideological ends and is either directed towards the over-throwing or influencing of any Government *de jure* or *de facto* or to put the public or any part of the public in fear.

5.77 **Tested**

- (a) a method of authenticating:
 - (i) the identity of the originator of an instruction, message, information or payment;
 - (ii) the contents of an instruction, message, information or payment; or
 - (iii) that the contents of an instruction, message, information or payment has not been altered or modified during transmission,including the use of digital signatures, public key cryptography, asymmetric cryptography, a Personal Identification Number (PIN), or other similar technologies or encryption methods; or
- (b) the use of a “call back” to an authorised person, other than the individual initiating the communication, to authenticate the contents of a communication where such communication is a voice communication made over the telephone or by Voice over Internal Protocol (VoIP), or other forms of IP or broadband telephony;
- (c) in relation to private natural person customers or clients of the **Insured Entity**, the use of unique password or security code or unique personal security details.

5.78 Trading

all actual or purported purchase, sale or exchange transactions, repurchase agreements or other dealings concerning bonds, securities, metals, commodities, funds, currencies, foreign exchange and interests therein, and the like, together with all forms of **Derivatives**.

5.79 Transaction

any one of the following events:

- (a) the **Policyholder** consolidates with or merges into or sells all or more than ninety percent (90%) of its assets to any other person or entity or group of persons and/or entities acting in concert, resulting in the extinction of the **Policyholder** as an independent legal entity;
- (b) any one person or one entity or any persons or entities acting in concert (other than a **Subsidiary** or **Subsidiaries**) acquires an amount of the shares representing more than fifty per cent (50%) of the voting power for the election of directors (or equivalent management body) of the **Policyholder**, or acquires the voting rights for such an amount of the shares;
- (c) the receivership, liquidation or administration of the **Policyholder**.

5.80 Transaction Extended Reporting Period

the period of time of time specified in extension 2.2 (Transaction Extended Reporting Period) immediately following a **Transaction** during which written notice given to the **Insurers** of any **Crime Loss Discovered** during such period or the **Policy Period** which resulted from any matter set out in the Insuring Clauses of this Policy taking place prior to the effective date of the **Transaction**, shall be treated by the **Insurer** as if such **Crime Loss** was **Discovered** and was notified to the **Insurer** during the **Policy Period**.

5.81 Transit

the physical transportation of **Property**, in the custody of:

- (a) any **Employee**;
- (b) any security or armoured motor vehicle company;
- (c) any specialist **Storage Media** carrier; or
- (d) any carrier for hire which the **Insured Entity** is obliged to use by any regulated central securities depository or international central securities depository, or which carrier for hire is notified to and accepted by the **Insurers**.

Transit shall include the physical transportation of **Property** by registered post and/or recorded delivery.

Transit shall be deemed to commence from the time the transporting **Person or Organisation** receives such items and shall be deemed to end immediately upon delivery to the designated recipient or its agent.

5.82 **Uncertificated Security**

a share, participation or other interest in property of an enterprise of the issuer or an obligation of the issuer which:

- (a) is a type commonly dealt in upon securities exchanges or markets; and
- (b) is either one of a class or series or by its terms is divisible into a class or series of shares, participation, interest or obligations; and
- (c)
 - (i) is not represented by an instrument; or
 - (ii) is part of a master or global certificate; or
 - (iii) represents a paper certificate that has been surrendered by a **Financial Organisation** and which paper certificate has been combined into a master depository note and the paper certificates are immobilised,

and where title is recorded on the relevant register of securities.

5.83 **Verification Costs**

that part of **Crime Loss** consisting of reasonable fees, costs and expenses incurred by the **Insured Entity**, for independent outside accountants, solicitors or other specialists or professional persons, to verify, reconstitute or remove **Electronic Data, Computer Programs** or any **Malicious Code**, following direct financial loss under Insuring Clause No. 1.1 (Employee Dishonesty) or No. 1.4 (Computer and Telephonic Misuse / Toll Fraud) of this Policy.

The **Insured Entity** must seek the prior consent of the **Insurers** before they incur any **Verification Costs**, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, it is agreed that the prior consent of the **Insurers** shall not be required whilst the relevant **Responsible Person** believes that the total amount of **Crime Loss** (including such **Verification Costs**) is reasonably unlikely to exceed the **Retention**.

No further **Retention** amount shall be applied to **Verification Costs**, other than that **Retention** amount applicable to such original direct financial loss.

5.84 **Withdrawal Receipt**

a written form provided to depositors by the **Insured Entity** for the purpose of acknowledging a receipt of funds from a deposit account maintained with the **Insured Entity** by a customer or client.

5.85 Written Instructions

written or printed instructions or advices:

- (a) addressed to the **Insured Entity**; or
- (b) sent by the **Insured Entity** to a **Financial Organisation**,

authorising or acknowledging the transfer, payment, delivery or receipt of funds or property that contain or appear to contain a signature upon which the **Insured Entity** or a **Financial Organisation** is authorised to act.

Instructions or advices which are transmitted by telegram or cablegram to the **Insured Entity** or by the **Insured Entity** to a **Financial Organisation** are deemed to be **Written Instructions**.

5.86 Wrongful Act

- (a) any dishonest act;
- (b) any fraudulent act; or
- (c) any malicious act,

wherever committed and whether committed alone or in collusion with others, including, without limitation, loss of, damage to, or destruction of, any **Property** or the **Impairment** of any **Electronic Data**, through any such dishonest, fraudulent act or malicious act.

However, it is agreed that in respect of **Loans** and **Trading**, **Wrongful Act** only means any dishonest or fraudulent act committed with the intent to obtain improper financial gain for:

- (i) the **Employee** who committed the dishonest or fraudulent act; or
- (ii) any **Person or Organisation** acting dishonestly or fraudulently in collusion with said **Employee**; or
- (iii) any **Person or Organisation** intended by said **Employee** to receive an improper financial gain, other than a counterparty to **Trading**.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF
SECTION 1 ONLY**

AUTOMATED TELLER MACHINE RIDER

It is understood and agreed that the policy is extended to cover losses involving:

1. Automated Teller Machines (ATM's) and Cash Deposit Machines (CDM's) whether or not situated within an office of the Assured and whether or not permanently staffed by an Employee of the Assured.

It is further understood and agreed that:

- (A) any loss payable under this endorsement shall be sub-limited to:
a maximum of RM800,000 per ATM/CDM

The maximum aggregated Limit of Liability for all loss payable by virtue of this endorsement shall be RM5,000,000 ('Sub-Limit of Liability'). This Sub-Limit of Liability is part of, and not in addition to, the Aggregate Limit of Liability.

- (B) the Underwriter shall only be liable for that part of any loss (payable under this endorsement) which is in excess of the deductible. The deductible for purposes of this endorsement shall be RM200,000.00

The deductible shall apply to the ultimate net loss sustained by the Assured subsequent to the Retroactive Date.

All other terms and conditions remain unaltered.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF ALL SECTIONS OF
POLICY NO. : CLB-L0139820-W1**

**FOR THE ASSURED : MALAYAN BANKING BERHAD
AND ALL ITS BANKING AND NON-BANKING SUBSIDIARIES, BRANCHES AND
OFFICES**

POLICY PERIOD: 1st July 2020 to 1st July 2021

ENDORSEMENT EFFECTIVE DATE: 1st July 2020

ENDORSEMENT NO. 1

BEJ & H DISCOVERY LIMITATION CLAUSE 1

There shall be no liability in respect of any claim:-

(a) arising out of or in connection with any circumstances or occurrences which have been notified to the Underwriters on any other policy of insurance effected prior to the inception of this Policy

(b) arising out of or in connection with any circumstances or occurrences known to the Assured prior to the inception hereof.

Inception being 12.01am Local Standard Time 1st. July 2020

All other terms and conditions remain unaltered.

ENDORSEMENT ATTACHING TO AND FORMING PART OF ALL SECTIONS.

ENDORSEMENT NO. 2

It is hereby understood and agreed that in the event of loss(es) or claim(s), the appointed loss adjusters shall be:

- (1) Cunningham Lindsay Adjusters Sdn Bhd; or
- (2) Crawford & Company Adjusters (Malaysia) Sdn Bhd; or
- (3) McLaren Saksama (Malaysia) Sdn Bhd
- (4) Mestari Adjusters Sdn Bhd

All other terms and conditions remain unaltered.

ENDORSEMENT ATTACHING TO AND FORMING PART OF ALL SECTIONS.

ENDORSEMENT NO. 3

It is hereby understood and agreed that notification of loss (es) or claim(s) shall be waived where the amount of the loss or claim in the considered opinion of the Assured, neither exceeds nor appears to have the potential to exceed RM500,000

All other terms and conditions remain unaltered.

ENDORSEMENT ATTACHING TO AND FORMING PART OF ALL SECTIONS.

ENDORSEMENT NO. 4

TIE IN LIMITS

It is hereby understood and agreed that the combined total aggregate limit of liability that the insurer/underwriters shall be liable to pay for all loss, arising out of all claims made against all Insureds/Assureds under the following scheduled policies combined shall be RM30,000,000

Sections subject to 'Tie in Limits' Endorsement:

1. Section 1- Advanced Crime Policy -FI
2. Section 2- Financial institutions Civil Liability Insurance Policy

It is further understood and agreed that this endorsement shall not be construed to increase the limit of liability / limit of indemnity as shown in the Schedule.

Subject otherwise to the terms, exclusions and conditions of this policy.

ENDORSEMENT ATTACHING TO AND FORMING PART OF ALL SECTIONS.

ENDORSEMENT NO. 5

SPECIFIC MATTER EXCLUSION

- a. Legal Suit filed against Aseambankers in respect of a Syndicated loan Facility for Shencourt Sdn. Bhd.
- b. Legal Suit filed by Deutsche Bank against Aseambankers as advisors in debt restructuring.
- c. Legal Suit against Mayban Trustees Bhd for breach of duty as trustee for RM157,815,000
- d. Legal Suit against Mayban Trustee Bhd, Bond Issuer-Pesaka and KAF by ASD for failure to pay RM13Million
- e. Allegation of breach of duty in rendering professional advice to Naluri Corp and shareholder.
- f. Allegation of breach of professional/fiduciary duty towards minority shareholder.
- g. Alleged negligence against Insured for issuing 2 fire policies covering the same location.
- h. Complaints from customers involving Lehman Brothers Minibonds.
- i. Potential defamation claim as alleged by A'Famosa Golf Resort Berhad.
- j. Allegation by Aldwich Berhad of allowing lender RHB to attend the informal Meeting of noteholders on recovery options.
- k. Claim by Senior Bond Holders of Aldwich Berhad Bonds involving issuance of RM293m Senior Bonds and RM548m Junior Notes.
- l. The loss incident involving Weilli Edible Oils Sdn. Bhd. as reported on 3rd March 2010
- m. A potential claim by the Bondholders of Aldwich Berhad against Maybank IB on 26/01/2010 and the current case involves the same bondholders and bonds. The only difference is the duties/obligations assumed by Mayban Trustee and Maybank IB vis a vis the bondholders.
- n. Potential claims by allegations of Aldwich – Mayban Trustees default in respect of the senior bonds trust deed.
- o. Potential claims by Aldwich – Allegations of Mayban Trustee's default in respect of the junior notes trust deed for Aldwich Berhad

- p. If the potential claims by Aldwich in respect of senior bonds trust deed and junior trust deed materialize and Mayban Trustees found liable, it may lead to potential claims by the bondholders and noteholders of Aldwich against Mayban Trustees.
- q. Allegations by claimant Edward Abu Bakar on Mayban Trustees has not discharged their duty as Administrator
- r. ATM found missing at Taman Dagang, Ampang
- s. Desa Pandan Branch/Jalan P. Ramlee Branch: Conversion of Banker's Cheque for RM1,494 million as reported to Chartis by JLT by its email of 9 March 2011
- t. Kemaman BC: Granting of Advance against a fraudulent Letter of Award as reported to Chartis by JLT by its email of 9 March 2011
- u. Potential claim against Malayan Banking Berhad by Bistari Land Sdn Bhd alleging wrongful appointment of receivers and managers in respect of their NPL as reported to Chartis by JLT by its email of 22 March 2011
- v. All the cases investigated by the Audit Department of Malayan Banking Berhad with Losses/Potential Losses above RM500,000.00 for period from 1.1.2010 to 15.03.2011 as notified to Chartis by JLT by its email of 29 March 2011

ENDORSEMENT ATTACHING TO AND FORMING PART OF ALL SECTIONS.

ENDORSEMENT NO. 6

SANCTION LIMITATION AND EXCLUSION CLAUSE

By way of endorsement to the Policy, the parties hereby agree as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the Policy;

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under the united Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or united Kingdom or United States of America.

PT Bank Maybank Indonesia
Sentral Senayan III
Jl. Asia Afrika No.8
Gelora Bung Karno, Senayan Jakarta 10270

INVOICE

Invoice No.: MBB-86121-0321002

Date : 04.03.2021

Attn: Ibu Thila Nadason
Pak Budi Santoso

Description	RM
<u>CHARGEBACK COST FOR THE BCPI EXPENSES</u>	
Total chargeback cost from Malayan Banking Berhad to PT Bank Maybank Indonesia :	
Chargeback for RM300 Million cover for policy period 01/07/2020 to 01/07/2021	1,135,785.20
Note: Details are as per attachments	
(Ringgit Malaysia: One Million One Hundred Thirty Five Thousand Seven Hundred Eighty Five and Twenty Only)	
	1,135,785.20

Payment should be payable to **MALAYAN BANKING BERHAD**
via Group Insurance Collection account no: 5140 1201 7094

-sign via email-

.....
Rosnaliza Bt Mohd Razali
Head, Group Insurance

Computation of share of Group Bankers Comprehensive Crime, Civil Liability, Deductible Buydown, Fidelity Guarantee (FG) & Cyber Premiums for RM300 Million cover for policy period 01/07/2020 to 01/07/2021

Group Net Assets @ 30/06/2020	RM 149,844,646,612.77
BCPI Premium	18,991,149.00

No	Name of Subsidiaries	Net Asset* for FYE 30/06/2020 (RM)	Share of Premium (RM)
1	PT Bank Maybank Indonesia	8,961,613,198.67	1,135,785.20

Note*

Net Asset definition is as per the definition in the Annual Report but adjusted for inclusion of intercompany transactions and other (interest) income of non-bank and finance subsidiaries.

	PT Indonesia	Total
Subs Net Asset	8,961,613,198.67	
Group Net Asset	149,844,646,612.77	
% Net Assets	5.98%	100%
Amount of Claim Paid	-	
Total Claim Paid	-	
% Claims	0.00%	0.00%
Subs % Net Assets + % Claims	5.98%	
Total % Net Assets + % Claims	100.00%	
Blended Weight	5.98%	
Premium	18,991,149.00	
Grand Total	1,135,785.20	

Note:

The breakdown of the FY20/21 premiums:

	RM
BCPI	14,680,440
Deductible Buydown	2,241,910
Cyber	2,068,799
Total	18,991,149

Report Header

Application: Alliance Message Management
 Report type: Message File - Message Details Report
 Operator: U011671
 Alliance Server Instance: ACCESS_PROD
 Date - Time: 2021/06/30 15:25:59

Messages**Message 1****Message Identifier**

Message Preparation Application: Alliance Message Management
 Unique Message Identifier: I MBBEMYKLXXX 103 EC000002830/999 (suffix 21063060943)

Message Header

Status: Message Modified
 Deletable
 Format: Swift Sub-Format: Input
 Identifier: fin.103 Expansion: Single Customer Credit Transfer
 Application: FIN Nature: Financial
 Sender: IBBKIDJAXXX LT: A
 Receiver: MBBEMYKLXXX LT: X
 Transaction Reference: EC000002830/999
 Priority: Normal
 Monitoring: None
 MUR: AU EC000002830999
 SLA ID: 001
 UETR: 23ed7d38-fe18-48ec-b80b-c146adedeb8f
 Amount: 1,022,206.68 ✓ Currency: MYR ✓ Value Date: 21/06/30
 ACK/NAK Reception Date/Time (GMT): 2021/06/30 08:20:02

Sender/Receiver

Sender Institution: IBBKIDJAXXX Expansion: PT BANK MAYBANK INDONESIA TBK
 10270 JAKARTA
 JAKARTA
 ID
 INDONESIA
 Receiver Institution: MBBEMYKLXXX Expansion: MALAYAN BANKING BERHAD (MAYBANK)
 KUALA LUMPUR 50050
 KUALA LUMPUR
 MY
 MALAYSIA

Message Text

Block 4
 F20: Sender's Reference
 EC000002830/999
 F23B: Bank Operation Code
 CRED
 F32A: Value Date/Currency/Interbank Settled Amount

Date: 210630 2021 Jun 30
 Currency: MYR MALAYSIAN RINGGIT
 Amount: 1022206,68 #1,022,206.68#
 F50K: Ordering Customer - Account - Name and Address
 Account: /281013
 Name and Address:
 PT. BANK MAYBANK INDONESIA, TBK
 EXPENSE CONTROL DEPARTMENT
 JL. ASIA AFRIKA NO.8, JAKARTA 10270
 INDONESIA. UNIQUE ID : CH281013
 F52A: Ordering Institution - Party Identifier - Identifier Code
 Identifier Code:
 IBBKIDJA PT BANK MAYBANK INDONESIA TBK
 JAKARTA ID
 F56D: Intermediary Institution - Party Identifier - Name and Address
 Name and Address: ACCD
 F57A: Account With Institution - Party Identifier - Identifier Code
 Identifier Code:
 MBBEMYKLXXX
 MALAYAN BANKING BERHAD (MAYBANK)
 KUALA LUMPUR MY
 F59: Beneficiary Customer - Account - Name and Address
 Account: /514012017094
 Name and Address: GROUP INSURANCE COLLECTION
 F70: Remittance Information
 CHARGEBACK COST FOR THE BCPI
 EXPENSES RM300 MILLION COVER FOR
 POLICY PERIOD 01/07/2020 TO
 01/07/2021 INV NO.MBB-86121-0321002
 F71A: Details of Charges
 OUR

Message History

Message history details:

*Original (Completed)

Created at "_MP_creation" on 2021/06/30 at 14:03:52
 By U009932 : Created at rp [_MP_creation] and assigned to unit [DEX], priority [7]
 By U009932 : Routed from rp [_MP_creation] to rp [_MP_verification]; On Processing by Function mpc with result Success;(Rule:USER,1500)
 By U008086 : Disposed from rp [_MP_verification] to rp [_MP_mod_text]; On processing by Function mpa with result Success;
 By U009932 : Routed from rp [_MP_mod_text] to rp [_MP_verification]; On Processing by Function mpm with result Success;
 (Rule:USER,1400)
 By U008086 : Routed from rp [_MP_verification] to rp [_MP_authorisation]; On Processing by Function mpa with result Success;
 (Rule:DEFAULT_RULE,0)
 By U011671 : Routed from rp [_MP_authorisation] to rp [DDAS_IN]; On Processing by Function mpa with result Success;(Rule:USER,1200)
 By SYSTEM : Routed from rp [DDAS_IN] to rp [OFCS_IN]; On Processing by Function DDAS_INPUT with result Unique;(Rule:USER,700)
 By SYSTEM : Routed from rp [OFCS_IN] to rp [_SI_to_SWIFT]; On Processing by Function OFCS_Detect with result No_Violation;
 (Rule:USER,100)
 Sent to SWIFT "IBBKIDJAAXXF" on 2021/06/30 at 15:19:54
 Session Nr 8839 Sequence Nr 161243 Result: SWIFT Ack ✓
 ACK text: {(1:F21IBBKIDJAAXX8839161243){4:{177:2106301519}{451:0}{108:AUEC000002830999}}
]
 MAC-Equivalent PKI Signed with result Success ✓
 RMA Check for service swift.fin with result Success ✓
 By SYSTEM : Completed in rp [_SI_to_SWIFT]; 2 instance(s) created at [SwfReconAck103,DEXPr01] (Rule:USER,12001;USER,34000) respectively;On Processing by Function _SI_to_SWIFT with result Success;(Rule:USER,34000) ✓
 *Notification - 1 (Completed) ✓
 By SYSTEM : Created at rp [SwfReconAck103] and assigned to unit [DEX], priority [7]
 Sent to APPLI "SwfReconAck103" on 2021/06/30 at 15:20:17
 Session Nr 3609 Sequence Nr 316472 Result: APPLI Ack
 File name : D:\BIIBizTalk\Recon\Ack\01673609.1CK
 By SYSTEM : Completed in rp [SwfReconAck103]; On Processing by Function AI_to_APPLI with result Success; ✓
 (Rule:DEFAULT_RULE,0)

*Notification - 2 (Live in "DEXPr01")
By SYSTEM : Created at rp [DEXPr01] and assigned to unit [DEX], priority [7]

Other

Delivery overdue warning request No

Network delivery notif. request No

Payment Confirmation Status:

Confirmed Currency:

Confirmed Amount:

Confirmed Date:

Report Footer

Number of Entities: 1
End of report

Op 30/6/2021