

JUBILEE ALLIANZ GENERAL INSURANCE (K) LIMITED

Head Office:

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FIDELITY GUARANTEE POLICY

IN CONSIDERATION of the Employer having paid the premium set out in the Schedule hereto and subject to the terms and conditions contained herein or endorsed hereon which are to be deemed conditions precedent to any liability on the part of JUBILEE ALLIANZ GENERAL INSURANCE (K) LTD (hereinafter called "the Company") so far as they relate to anything to be done or complied with by the Employer.

THE COMPANY AGREES subject to the exceptions, limitations and conditions contained herein or endorsed hereon to make good and reimburse to the Employer all such direct pecuniary loss not exceeding the amount of guarantee as the Employer shall sustain by any act of fraud or dishonesty committed by any of the Employed

- a. during the currency of this insurance and
- b. during the uninterrupted continuance of employment of such Employed and
- c. in connection with his occupation and duties AND DISCOVERED during the currency of this insurance or within six months thereafter or within three months after the termination of such employment whichever period shall first expire.

Authorized Officer

Date

CONDITIONS

1. The proposal for this insurance made by or on behalf of the Employer shall be incorporated herein and be the basis of this contract and of every renewal. And the Company shall not be liable to make any payment hereunder if the nature of business of the Employer or the occupations and duties or conditions of service shall be changed or the remuneration of any of the Employed reduced without the sanction of the Company or if the precautions and checks for securing accuracy of accounts shall not be duly observed.
2. Notice in writing shall be given to the Company within seven days after any act of fraud or dishonesty on the part of any of the Employed or of reasonable cause for suspicion thereof or of any improper conduct shall have come to the knowledge of the Employer or of any representative of the Employer to whom is entrusted the duty of superintendence over any of the Employed and no amount shall be payable under this Policy in respect of that Employed by reason of any act committed after such knowledge shall have come to the Employer or his said representative. Within three months after such notice the Employer shall deliver to the Company full details of his claim and shall furnish proof of the corrections of such claim. The Company shall not be liable to pay more than one claim in respect of any one of the Employed. All books of accounts of this Employer and any Accountants report thereon shall be open to the inspection of the Company and the Insured shall give to the Company all such information and assistance as may be reasonably required for maintaining any such claim or rights.
3. Any monies of any one of the Employed in respect of whom a claim is made in the hands of the Employer and any monies which but for any act of fraud or dishonesty committed by such one of the Employed would have been due to that Employed from the Employer shall be deducted from the amount otherwise payable under the Policy in respect of the one Employed. The Employer and the Company shall share any other recovery (excluding insurance and reinsurance and any counter security taken by the Company) made by either on account of any loss in the proportions that the amount of the loss borne by each bears to the total amount of the loss.
4. If a claim is made under this Policy and the Company rejects such claim, no suit or action of any kind against the Company for the recovery of such claim shall be sustainable in any Court, unless such suit or action shall be commenced within 12 months from the date of such rejection.
5. The Company may at any time determine and cancel this Policy either wholly or in respect of any person or persons specified in the second Schedule hereof by registered letter to the Employer at his place of business last known to the Company, provided that the Company shall in that event on demand return to the Insured a proportionate part of the premium corresponding to the unexpired term of the Policy.
6. If any difference arises as to the amount of any loss such difference shall independently of all other questions be referred to the decision of an Arbitrator, to be appointed in writing by the Parties, or, if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In each case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator, and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire, who have been appointed by them in writing before entering on the reference, and who shall sit with the Arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, Arbitrators or Umpire respectively; and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The costs of the Reference and of the Award shall be in the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss disputed shall be first obtained.
7. The Employer shall if and when required by the Company but at the expense of the Company if a conviction be obtained use all diligence in prosecuting any of the persons employed to conviction for any criminal act which he shall be committed and in consequence of which a claim shall have been made under this Policy.
8. The Employer shall at the Company's expense give all information and assistance (including permission to use the name of the Employer in any action or proceedings which the Company may deem it advisable to bring or take) to enable the Company to use for and obtain reimbursement by any person employed by reason of whose acts or defaults a claim has been made or his estate of any monies which the Company shall have become liable to pay under this Policy.
9. If at the time of any loss arising under this Policy there be any other subsisting guarantee or security in respect of the acts or defaults of the person or persons employed the Company shall not be liable to pay or contribute more than its ratable proportion of such loss.
10. The Company shall not be bound to notice or be affected by any notice of any trust charge or alienation relating to monies payable under this Policy but the receipt of the Employer or his

legal personal representatives shall in any event effectually discharge the Company.

11. If the employer shall at the date of this Agreement or at any time thereafter be guaranteed or hold any security against loss covered hereby, the Company shall only be liable to make good any such loss ratably and in just proportion, taking into account the value or amount of such other guarantee or security.

JURISDICTION CLAUSE

The Company shall not be liable under this Policy in respect of:

1. Compensation for damages in respect of Judgments delivered or obtained in first instance otherwise than by a Court of competent jurisdiction within the Republic of Kenya, Uganda and Tanzania.
2. Costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the Republic of Kenya, Uganda and Tanzania.

CYBER EVENT EXCLUSION (ABSOLUTE)

It is hereby understood and agreed that:

This (re)insurance contract does not cover any loss, damage, fees, costs, charges, expenses and/or liability arising out of, based upon or attributable to any Cyber Event.

For the purposes of this endorsement:

Cyber Event means any actual, alleged or suspected:

- a. damage to, loss, destruction, corruption, theft, or loss of operational control of data, or unauthorized or negligent processing, collection, recording, retrieval, disclosure, dissemination, or disposal of data, by the insured, an independent contractor or an outsourced service provider of the insured company; and/or
- b. unauthorized access to or use of any personal information / personal data or confidential information (other than information that is lawfully available in the public domain or to the general public unless such information which had been publicly available became uniquely identifiable through collection and/or processing) while under the care and custody, or control, of the insured, an independent contractor or an outsourced service provider of the insured company; and/or
- c. non-physical and technological failure of the Company's Computer System, or failure of technological security measures aimed at protecting data in any form. This includes, but is not limited to, any interruption of the insured company's business caused by such event(s); and/or
- d. malicious direction of network traffic, introduction

of malicious computer code, or other malicious attack directed at, occurring within, or utilizing the Company's Computer System. This includes, but is not limited to, any interruption of the insured company's business caused by such event(s); and/or

- e. interruption of the insured company's business caused by an accidental, unintentional or negligent act, error or omission of the insured person in the operation or maintenance of the Company's Computer System which causes total or partial unavailability of the Company's Computer System; and/or
- f. breach of laws and regulations pertaining to privacy and resulting from items (a) to (e) above.

For the purposes of items (a) and (c) of Cyber Event definition, data includes, but is not limited to, personal information / personal data and/or confidential information (other than information that is lawfully available in the public domain or to the general public unless such information which had been publically available became uniquely identifiable through collection and/or processing) in any form.

Company's Computer System means a computer system (including, but not limited, to hardware, software and/or computer programs) leased, owned or operated by or which is made available or accessible to the insured company or its outsource service provider(s) for the purpose of storing and processing the insured company's electronic data or software.

All other terms, conditions, provisions, exclusions and limitations of this (re)insurance contract otherwise remain unchanged.

COMMUNICABLE DISEASE EXCLUSION

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - a. the substance or agent includes, but is not

limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to pull the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way related to any act of terrorism.

If the Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

POLLUTION AND CONTAMINATION EXCLUSION

Any loss arising from pollution and contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by:

- Pollution or contamination which itself results from a peril insured against (1)
- Any peril insured against which itself results from a pollution or contamination
- Any liability in connection with disposed or dumped waste materials or substances may not be covered.

SANCTIONS CLAUSE

No (re)insurer shall be deemed to provide cover and no

(re)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 (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United States of America and/or any other applicable national economic or trade sanction law or regulations.

SPECIAL CLAUSES

(APPLICABLE ONLY IF SHOWN IN THE SCHEDULE)

1. AUTOMATIC ADDITIONS/DELETIONS OF STAFF

It is hereby declared and agreed that the within Policy covers automatically any additional staff engaged by the Insured. It is further declared and agreed that in the event of any staff leaving permanently the services of the Insured immediate advice to the Insurers will not be required.

It being understood that additional premium due from the Insured or refund premium allowed to Insured shall be calculated pro-rata at the premium rate allowed herein.

2. COLLUSION ENDORSEMENT

It is hereby warranted that any defalcation or series of defalcations committed by two or more employees acting in collusion is also deemed to be a claim in the terms of this Policy and in the event of such claim arising the limit of Guarantee to apply shall not exceed the Individual Employee Annual Limit and in any case the Maximum Company Liability shall not exceed the Sum of (as shown in the Schedule) any one loss.

3. REFERENCE CLAUSE

It is a condition of this Policy that satisfactory references are obtained from at least two previous employers all covering the previous three years in respect of each newly engaged employee and also in respect of any Employee who has not been working with the Insured for the said three years and whose duties involve the handling of cash and/or stock.