

BAJAJ ALLIANZ

COMMERCIAL CRIME INSURANCE POLICY

Bajaj Allianz General Insurance Co. Ltd

Please read this policy carefully, hereunder the exclusions and duties of the *Insured*. This insurance is underwritten by :

Bajaj Allianz General Insurance Co. Ltd. located at GE Plaza 1st Floor, Airport Road, Yerawada, Pune - 411006.

Commercial Crime Insurance

1. Insuring clauses

In consideration of the payment of the premium the **Insurer** and the **Policyholder** agree as follows:

1.1 Coverage for **Financial Loss** and/or **Property Loss**

The **Insurer** shall indemnify the **Insured** for all **Financial Loss** and/or **Property Loss** sustained by any **Insured** as a direct result of any **Criminal Act**, which is first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

1.2 Coverage for **Cash & Valuables**

The **Insurer** shall indemnify the **Insured** for any loss or destruction of **Cash & Valuables** located in the **Premises**, sustained by any **Insured** as a direct result of any **Theft** or **Robbery**.

The **Insurer** shall indemnify the **Insured** for any loss of **Cash & Valuables**, sustained by any **Insured** as a direct result of any **Robbery** not in the **Premises**.

The coverage provided applies only to **Theft** or **Robbery** first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

This coverage is subject to a sublimit as specified in Item 8.a. of the Schedule.

1.3 Coverage for the **Insured's Legal Liability**

The **Insurer** shall indemnify the **Insured** for all **Financial Loss** sustained by any **Insured** as a result of any **Claim** by a **Client** for **Legal Liability** that directly results from a **Criminal Act** which is first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

This coverage is subject to a sublimit as specified in Item 8.b. of the Schedule

1.4 Fees and Expenses

The **Insurer** shall indemnify the **Insured** for all reasonable costs, fees and expenses incurred with the prior written consent of the **Insurer** for any **Consultant** to determine the amount of any **Loss** covered under this policy and any other determination, assessment and recommendation by the **Consultant** as defined in clause 5.4 (ii).

This coverage is subject to a sublimit as specified in Item 8.c. of the Schedule

2. Extensions

2.1 Coverage for **Additional Costs**

The **Insurer**, in partial derogation to exclusion 4.4 (**Indirect Loss**), shall indemnify the **Insured** for any **Additional Costs**^{Page 1} sustained by any **Insured** as a result of any **Criminal**

Act which is first discovered during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

This cover extension is subject to a sublimit as specified in Item 8.d. of the Schedule.

2.2 Coverage for **Expectation Damages**

The **Insurer**, in partial derogation to exclusion 4.4 (**Indirect Loss**), shall indemnify the **Insured** for all **Financial Loss** sustained by any **Insured** as a result of any **Claim** by a **Client** for **Expectation Damages** incurred as a consequence of any covered **Criminal Act** committed against the **Insured**, which is first discovered during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

This cover extension is subject to a sublimit as specified in Item 8.e. of the Schedule.

2.3 Coverage for **Financial Loss as a result of an IT Criminal Act**

The **Insurer**, shall indemnify the **Insured** for all **Financial Loss** sustained by any **Insured** as a direct result from any **IT Criminal Act** committed by **Employee**, which is first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

This cover extension is subject to a sublimit as specified in Item 8.f. of the Schedule.

2.4 Coverage for **Reconstitution Costs as a result of an IT Criminal Act**

The **Insurer**, in partial derogation to exclusion 4.4 (**Indirect Loss**), shall indemnify the **Insured** for all **Reconstitution Costs** sustained by any **Insured** resulting directly from any **IT Criminal Act** which is first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

This cover extension is subject to a sublimit as specified in Item 8.g. of the Schedule.

2.5 **Discovery Period**

In the event this **Policy** is neither renewed for reasons other than for non-payment of the premium, nor replaced with another Commercial Crime insurance policy, the **Insured** shall automatically be entitled, without any payment of any additional premium, to a **Discovery Period** of 30 days.

The **Policyholder** shall be entitled to extend the **Discovery Period** as specified in item 13 of the Schedule, subject to the **Policyholder** making a request for such **Discovery Period** in writing and paying any additional premium required, no later than Thirty (30) days after the expiry of the **Insurance Period**.

3. Definitions

In this policy the following words in **bold** and *italics* shall have the following meaning:

- 3.1 Additional Costs** means reasonable costs, incurred by the **Insured** after a waiting period of 48 hours, as a result of a covered **Loss**, provided that these following costs are beyond usual operational costs and necessary to the restoration of the normal course of operations of the **Insured's** business:

- (i) Renting fee for temporary replacement of equipment and temporary additional **Premises** or **Offices**;
 - (ii) Costs for additional external workforce and overtime **Employees**;
 - (iii) Costs related to transportation of equipment or documents.
- 3.2 **Application form** means the written application or proposal for this policy made by the **Policyholder**, including any document provided by the **Policyholder** or any other **Insured** in connection with such application or proposal.
- 3.3 **Cash & Valuables** means any of the following in physical form:
- (i) currency, coins and banknotes, bullion, precious metals of all kinds and in whatsoever form and articles made there from, jewellery, gems (including uncut gem stones), precious and semi-precious stones, stamps, postal orders;
 - (ii) cheques, drafts, bills of exchange drawn on a **Financial Institution** directing it to pay a sum certain in money;
 - (iii) promissory notes or similar written promises; and
 - (iv) **Securities**.
- 3.4 **Claim** means any written demand, suit or proceeding.
- 3.5 **Client** means any customer of an **Insured** to whom such **Insured** provides goods or services under a written contract or for a fee or other monetary consideration.
- 3.6 **Computer Programmes** means a collection of instructions that describe a task, or set of tasks, to be carried out by a **Computer System**, including application software, operating systems, firmware and compilers.
- 3.7 **Computer System** means 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.
- 3.8 **Consultant** means any independent external accountants, investigators or experts appointed by the **Insured** with the prior written consent of the **Insurer**.
- 3.9 **Expectation Damages** means any amount in excess of the **Retention** incurred by and enforced against the **Insured** as a damage pursuant to a written contract with a **Client**, to the extent necessary to restore the financial position of the **Client** to that which existed immediately prior to the occurrence of the **Criminal Act**. Provided, however that such **Criminal Act** is not committed in collusion with such **Client** nor any employee of such **Client**.
- 3.10 **Criminal Act** means any **Theft, Fraud, or Robbery** whether committed alone or in collusion with others, with the intention to cause a **Loss** specifically and directly to the **Insured** and/or to obtain an improper financial gain from the **Insured** and/or any **Client**.
- Criminal Act** does not include **IT Criminal Act**.
- 3.11 **Data** means any electronic data of a form readily usable by a **Computer Programme** within the **Insured's Computer System**.

3.12 *Discovered* or *Discovery* means the moment when any of the *Insured's* Directors and Officers, partners, trustees or any member of the *Insured's* risk management department, legal department, audit department or human resources department, first becomes aware of ***Criminal Acts*** or ***IT Criminal Acts*** or reasonably suspects that ***Criminal Acts*** or ***IT Criminal Acts*** have occurred, which would cause this person to reasonably assume that a ***Loss*** covered under this policy has been or is likely to be incurred, even though the exact amount or detail of the ***Loss*** may not then be known.

A single ***Loss*** shall be deemed to have been discovered at the time the first ***Criminal Act*** or ***IT Criminal Act*** is discovered in accordance with the first paragraph of definition 3.13.

3.13 *Discovery Period* means the period commencing immediately after the expiry date of the ***Policy***, during which written notice may be given to the ***Insurer*** of a ***Criminal Act*** or ***IT Criminal Act*** that was committed prior to the expiry date of the ***Insurance Period*** and first ***Discovered*** during such period or during the ***Policy Period*** and only where ***Loss*** arising from such ***Criminal Act*** or ***IT Criminal Act*** is not partially nor wholly covered by any other insurance policy in force after the expiry date of the ***Policy***.

3.14 *Employee* means any natural person who is under a contract of employment (whether full time, part-time or temporary) with the ***Insured*** whom the ***Insured*** has the right to govern and direct in the performance of their duties and whom the ***Insured*** compensates by salary or wages.

Employee shall also include any of the foregoing natural persons for a period not exceeding 30 days following the termination of their employment contract with or by the ***Insured***, except when such termination involves an actual, alleged or suspected dishonest, fraudulent or malicious act.

If the ***Insured*** is unable to identify an ***Employee*** but proves beyond any reasonable doubt that a ***Loss*** must have been caused by a covered ***Criminal Act*** of an ***Employee***, then the ***Insured*** shall not be required to specifically identify the ***Employee*** by name.

3.15 *Financial Loss* means:

- (i) For the purposes of insuring clause 1.1 and extension 2.3 only, direct and pure financial loss sustained by the ***Insured***; or
- (ii) For the purposes of insuring clause 1.3 only, the following incurred by the ***Insured*** in any ***Claim*** by a ***Client*** for ***Legal Liability***: civil compensation or civil damages; settlements negotiated with the ***Insurer's*** prior written consent; costs and expenses incurred by a ***Client*** in bringing such a ***Claim*** for which the ***Insured*** is legally liable; and reasonable and necessary costs fees and expenses incurred by the ***Insured*** with the ***Insurer's*** prior written consent in the investigation and defence of any such ***Claim***.
- (iii) For the purposes of extension 2.2 only, the following incurred by the ***Insured*** in any ***Claim*** by a ***Client*** for ***Expectation Damages***: civil compensation or civil damages; settlements negotiated with the ***Insurer's*** prior written consent; costs and expenses incurred by a ***Client*** in bringing such a ***Claim*** for which the ***Insured*** is legally liable; and reasonable and necessary costs fees and expenses incurred by the ***Insured*** with the ***Insurer's*** prior written consent in the investigation and defence of any such ***Claim***.

Financial Loss shall not include:

- a. **Property Loss**, or loss of **Cash & Valuables** unless they are the result of a **Fraud** and/or a **Forgery**;
- b. Loss or destruction of **Premises**, offices, real estate of the **Insured**;
- c. **Reconstitution Costs** and **Additional Costs**

3.16 Financial Institution means any company, firm or organization whose function or principle activities are regulated by the financial regulatory bodies in the territories in which it operates, including but not limited to: any bank, clearing house, depository institution, investment firm, investment advisory, investment manager, investment fund, mutual fund, stockbroker, mortgage broker, credit institution, asset manager, private equity or venture capital company, insurance company, reinsurance company or real estate investment trust.

3.17 Forgery means:

- (i) The hand-written signing or endorsing of the name of a genuine natural person, or the copying of said natural person's signature, without authority and with intent to deceive, but not the unauthorized signing or endorsing in whole or in part of one's own genuine signature. A mechanically or electronically reproduced facsimile signature shall be treated the same as a handwritten signature.
- (ii) The imitation of authentic or what purport to be authentic **Cash and Valuables**, such that the **Insured** is deceived on the basis of the quality of the imitation so as to believe that such **Cash and Valuables** are authentic.
- (iii) The material alteration of **Cash and Valuables** for a fraudulent purpose.

3.18 Fraud means any:

- (i) **Forgery of Cash and Valuables**
- (ii) only where committed by **Employees**, **Fraud** means any dishonest, fraudulent or malicious acts punishable under the criminal laws of the country where this act was committed, whether committed alone or in collusion with others, with the intention to cause a **Loss** to the **Insured** and/or to obtain an improper financial gain for the **Employee** and/or any **Third-Party** intended by the **Employee** to receive that benefit.

Benefits earned in the usual course of employment including salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions shall not constitute improper financial gain.

3.19 Governmental Acts means any expropriation, nationalisation, confiscation, requisition by or under order of any governmental, *de facto* or public local authority.

3.20 Indirect Loss means any consequential and non direct loss incurred by the **Insured**, including, but not limited to, loss of profit.

3.21 Insurance Period means the period as set forth in item 4 of the Schedule.

3.22 Insured means the **Policyholder**, together with any **Subsidiary**, or **Plan**.

3.23 Insurer means Bajaj Allianz General Insurance Co. Ltd..

3.24 IT Criminal Act means any **Data** or **Computer Programme** which the **Insured** has relied upon in good faith and in the ordinary course of its business which is fraudulently, dishonestly or maliciously prepared, created, input, modified, damaged or deleted as a result of wilful, unlawful and targeted intrusions into the **Insured's Computer System** committed with the intent to cause a loss specifically and directly to the **Insured**.

3.25 Legal liability means liability under law for a direct pure financial loss sustained by any **Client** in excess of the **Retention** resulting directly from a **Criminal Act** committed by an **Employee** of the **Insured** not in collusion with the **Client** nor any employee of the **Client**.

Direct pure financial loss sustained by a **Client** shall not include **Property Loss**, nor loss of **Cash & Valuables** unless they are the direct result of a **Fraud**.

Legal Liability shall not include **Expectation Damages** nor any sums claimed solely under any contract or that are in excess of the amounts necessary to restore the financial position of the **Client** to that which existed immediately prior to the occurrence of the **Criminal Act**.

3.26 Limit of Indemnity means the amount specified as such in item 7 of the Schedule.

3.27 Loss means:

- (i) **Financial Loss** ;
- (ii) **Property Loss** as covered under insuring clause 1.1 ;
- (iii) Loss or destruction of **Cash & Valuables** as covered under insuring clause 1.2;
- (iv) **Expectation Damages**;
- (v) **Additional Costs**;
- (vi) **Reconstitution Costs**;
- (vii) Fees and expenses as covered under insuring clause 1.4.

LOSS SHALL NOT INCLUDE:

- (viii) Tax, fines and penalties of any type;
- (ix) Any awards, bonuses, commissions, fees, pension or other employee benefits, salaries or wages paid or payable by the **Insured** and earned in the normal course of employment.

3.28 Merger or Acquisition means:

- (i) the merger of the **Policyholder** with, or consolidation into, another entity;

- (ii) the sale of all or the majority of the **Policyholder's** assets to another entity; or
- (iii) the acquisition by any natural person or entity acting alone or in concert of **Securities** or voting rights which results in ownership or control by the natural person or entity of more than 50% of the outstanding **Securities** representing the present right to vote for the election of the board of directors of the **Policyholder**.
- 3.29 Multiple Acts** means more than one **Criminal Act** or **IT Criminal Act** committed by the same person alone or in collusion with others.
- 3.30 Plan** means any pension scheme, benefit plan or programme, established, maintained or sponsored solely by an **Insured** for the benefit of its **Employees**.
- 3.31 Policyholder** means the entity specified as such in item 2 of the Schedule.
- 3.32 Pollution** means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3.33 Premises** means the interior portion of any building owned or occupied by the **Insured** and in which they conduct their business.
- 3.34 Property** means any tangible asset (including machinery, physical vaults, safes, lockers, equipment, inventory, computers and data storage media) but only to the extent that it has an intrinsic value; which is in the **Premises** of the **Insured**.
- Property** does not include **Cash & Valuables** and **Premises**, offices or real estate of the **Insured**.
- 3.35 Property Loss** means any physical damage to or destruction or physical loss of **Property** but not loss of **Property** due to **Fraud** and/or **Forgery**; or any loss arising thereof.
- 3.36 Reconstitution Costs** means the cost of labour for the actual transcription or copying in order to reproduce **Data** or **Computer Programmes**, including the cost of purchasing a software licence necessary to reproduce such **Data** or **Computer Programmes**. Where **Data** or **Computer Programmes** were purchased from a **Third-Party**, **Reconstitution Costs** means the cost of repurchasing the **Data** or **Computer Programmes** from a **Third-Party**, if less than the cost of transcription or copying.
- 3.37 Retention** means the amount specified as such in item 9 of the Schedule.
- 3.38 Retroactive Date** means the date specified as such in item 6 of the Schedule.
- 3.39 Robbery** means the taking of **Cash & Valuables** or **Property** in the possession of another person or entity, by force or intimidation.
- 3.40 Security or Securities** means all negotiable and non-negotiable instruments representing a share, participation or other interest in the property (real or personal) or enterprise of the **Insured**, and other valuable papers, including books of account and other records used by the **Insured** in the conduct of its business, such as bonds, debentures, shares, stocks or other equity or debt security.
- 3.41 Subsidiary** means any entity during the time that the **Policyholder** either directly or indirectly:
- (i) controls the composition of the _____ board of directors;

(ii) holds more than 50% of the voting shares; or

(iii) holds more than 50% of the issued share capital.

Cover for any **Subsidiary** shall only apply to **Loss** which results directly or indirectly from any **Criminal Acts** or **IT Criminal Acts** which took place, and are **Discovered**, while such entity is a **Subsidiary** of the **Policyholder**.

3.42 Theft means the felonious taking and removing of someone's **Property** or **Cash & Valuables** with intent to deprive the rightful owner of it.

3.43 Third-Party means any natural or legal person except the **Insured** or any **Employee** or Director and Officer of the **Insured**.

3.44 Trade Secret means the information, including a formula, compilation, pattern, programme, device, method, process or technique that derives independent economic value, actual or potential, from not being generally known and not readily ascertainable through proper means by another person who can obtain economic advantage from its disclosure or use.

3.45 Trade or **Trading** means all types of purchase or sale transactions or other dealing in **Securities**, commodities, derivatives, foreign or Federal funds, currencies, foreign exchange, and the like.

3.46 Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group of persons, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism shall also include any act which is verified or recognised by the Government specified in Item 15 of the Schedule as an act of terrorism.

3.47 War means war, any invasion, act of foreign enemy, hostile operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, riot or civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power or martial law.

4. Exclusions

NO COVERAGE WILL BE AVAILABLE UNDER THIS POLICY WITH RESPECT TO:

4.1 Directors or Shareholders' Criminal Act

Any **Loss** resulting directly or indirectly from any **Criminal Act** or **IT Criminal Act** of any Director on the main board of the **Insured** and/or any shareholder controlling more than 20% of the issued share capital of the **Insured** at the time of the **Criminal Act**

4.2 Discovery outside the Insurance Period

Any **Loss** resulting from any **Criminal Act** or **IT Criminal Act** first **Discovered**:

- (i) prior to the Inception Date of the **Insurance Period** as set forth in item 4 of the Schedule; or
- (ii) subsequent to the Expiry Date of the **Insurance Period** as set forth in item 4 of the Schedule.

4.3 Criminal Act prior to *Retroactive date*

Any **Loss** resulting from any **Criminal Act** or **IT Criminal Act** committed prior to the **Retroactive date** as set forth in item 6 of the schedule.

4.4 Indirect Loss

any **Indirect Loss** incurred by the **Insured**

This exclusion applies neither to any indirect loss specifically covered under Extension clauses 2.1 to 2.4. nor to interest claimed against the **Insured** as addressed in **Financial Loss** definition 3.15 (ii) and (iii); provided this interest is calculated by applying the average base rate in force by the Central bank of the country where the **Insured** is domiciled when the **Criminal Act** was **Discovered**.

4.5 Property damage

any **Loss** as a result of any destruction, damage or physical loss of or to **Property** resulting from contributed or aggravated by:

- (i) fire, explosion, implosion or collapse;
- (ii) flood;
- (iii) any act of God or nature, including but not limited to hurricane, typhoon, earthquake, or subterranean fire, or as a result of fire following any of the foregoing; or
- (iv) any **Property** arising out of, based upon or attributable to ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

4.6 Bodily injury

Loss which is based upon, attributable to or in any way connected to a bodily injury suffered by the **Insured** or by any **Third-Party**.

4.7 Confidential information, *Trade Secrets* and *Computer Programmes*

Loss of or the actual or alleged plagiarism of, or **Loss** arising directly or indirectly from the accessing of, any confidential information (including but not limited to **Trade Secrets**, **Computer Programmes**, customer information, patents, trademarks, trade names, copyrights or any other form of intellectual property), except to the extent that any such information has been used to support or facilitate the commission of a **Criminal Act** or **IT Criminal Act** covered by this policy.

4.8 War, Terrorism and *Governmental Acts*

Loss or damage arising out of or relating to **War**, **Terrorism**, looting and **Governmental Acts**.

4.9 Trading

Any **Loss** resulting from **Trading**, whether in one's own name or in a genuine or fictitious account, unless such **Loss** is covered under page 9 insuring clause 1,1,

This exclusion shall not apply to **Trading** committed by an **Employee** with the intention to cause a **Loss** to the **Insured** and obtain an improper financial gain for the **Employee** or any **Third-Party** intended by the **Employee** to receive that benefit.

Benefits earned in the usual course of employment including salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions shall not constitute improper financial gain.

4.10 Pollution

Any **Loss** or damage caused by or resulting from **Pollution**.

4.11 Inventory shortages

Any **Loss** the proof of which is dependent solely upon a

- (i) profit and loss computation or comparison, or
- (ii) comparison of inventory records with an actual physical count.

Inventory records and actual physical count of inventory can be submitted as supporting documentation to the **Insured's** proof of **Loss** as required under this policy.

4.12 Other **Insured's** benefit

Any **Loss** sustained by any one **Insured** to the benefit of any other **Insured**.

4.13 Kidnap, ransom or extortion

Any **Loss** as a result of kidnap, ransom or extortion payment (as distinct from **Robbery**).

4.14 Employee's criminal record

Any **Loss** as a result of any **Criminal Act** or **IT Criminal Act** committed by any **Employee** whose previous criminal record was known by the legal representative of the **Insured**, or his direct manager or the human resources department of the company where he is employed.

4.15 Loss after Discovery

Any **Loss** as a result of any **Criminal Act** or **IT Criminal Act** committed by any **Employee** after a previous **Criminal Act** or **IT Criminal Act** committed by the same **Employee** is **Discovered**.

5. In the event of a Loss

5.1 Notification

It is a condition of coverage hereunder that upon **Discovery**, the **Insured** shall:

- (i) give written notice thereof to the **Insurer** during the **Insurance Period** or the **Discovery Period**, if applicable, and at least 30 days after **Discovery**. However, in the event that it has not been practicable for the **Insured** to give such notice in this time-frame, then written notice shall be given as soon as reasonably practicable but not later than 30 days after the end of the **Insurance Period** or **Discovery Period**, if applicable; and

- (ii) in any event within 6 months after notification, or within such further period as agreed to in writing by the **Insurer**, file with the **Insurer** a detailed written proof of **Loss** in a format to be agreed with the **Insurer**, and
- (iii) provide all requested information and documents and co-operate with the **Insurer** with respect to any **Loss**.
- (iv) give written notice thereof to the police or the local authorities where the **Criminal Act** and/or the **IT Criminal Act** occurred and given written notice thereof to the **Insurer** as soon as reasonably practicable. This requirement may be waived with the prior written agreement of the **Insurer**, which shall not be unreasonably withheld.

It is a condition of coverage hereunder that upon receipt of any **Claim** by a **Client** for **Legal Liability** or **Expectation Damages**, the **Insured** shall give written notice thereof to the **Insurer** as soon as possible.

All notifications of **Loss** and all communications under this policy must be in writing to the address set forth in item 14 of the Schedule.

If posted, the date of posting shall constitute the date that notice was given, and proof of posting shall be sufficient proof of notice.

5.2 Defence

For the purposes of insuring clause 1.3 and extension 2.2, it shall be the duty of the **Insured** to defend **Claims** and arrange for representation at any hearing or investigation. The **Insurer** shall have the right to effectively associate with the **Insured** in respect of the conduct and management of any claim or investigation to which this policy may apply, and to be given the opportunity to consult with the **Insured** in relation to proposed action that the **Insured** may wish to take in relation to such **Claim**.

5.3 Basis of valuation

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

- (i) The actual value of **Securities** (including any accrued interest, coupons, dividends or other privileges) and/or **Cash and Valuables** at the closing market on the last business day prior to **Discovery**.

If there is no market price or value for the relevant **Securities** on the relevant day, then the value shall be as agreed between the **Insured** and the **Insurer**.

- (ii) In the case of any **Property** other than **Cash & Valuables**, the value of such **Property** shall be the actual cash value on the day of **Discovery** (or if **Discovered** during a weekend or national holiday of the country where the **Criminal Act** was committed, on the next business day thereafter).

5.4 Consultant services

- (i) In order to prove the facts and the extent of a **Loss**, the **Insured** is entitled to choose a **Consultant**.

- (ii) The **Consultant** appointed shall have the following role:
- to investigate the actual circumstances related to the **Loss**, and
 - to determine the extent of the **Loss**, and
 - to evaluate how the **Insured's** controls were or may have been breached, and
 - to make recommendations regarding risk prevention regarding future similar **Loss**, and
 - to prepare a report in English and submit the report to the **Insured** and the **Insurer**.
- (iii) The **Insurer** shall reimburse fees and costs of the **Consultant** according to insuring clause 1.4 unless the **Loss** is not covered under the policy.
- In the event that the loss is partially covered under the policy, fees and costs of the **Consultant** are proportionally shared between the **Insurer** and the **Insured**.
- (iv) The policy does not cover any fees and cost of the **Consultant** that relate to the investigation and discovery of whether or not a **Criminal Act** and/or **IT Criminal Act** has been committed.
- (v) The **Consultant's** report will provide no opinion as to whether a **Criminal Act** and/or **IT Criminal Act** has been committed or if the **Loss** is covered under the policy.

5.5 Other currency

In the event that a **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 **Loss** shall be the closing average rate on **Discovery** (or if **Discovered** during a weekend or national holiday, on the next business day thereafter).

5.6 Subrogation and Recoveries

The **Insurer** shall be subrogated to all of the **Insured's** rights of recovery to the extent of all payments of **Loss** by the **Insurer** or all other amounts which cover is provided under this policy. The **Insured** shall do everything necessary to secure any rights, including the execution of any documents necessary to enable the **Insurer** effectively to bring suit in the name of the **Insured** whether such acts become necessary before or after payment by the **Insurer**.

Recoveries whether being subject to a subrogation or not, with respect to any **Loss** or all other amounts which cover is provided under this policy, shall be distributed as follows:

- (i) first, to reimburse the costs and expenses actually incurred in making the recovery,
- (ii) second to the **Insured** for the amount of **Loss** otherwise covered but in excess of the policy limit of liability less any applicable **Deductible**;
- (iii) third, to the **Insurer** for the amount paid to the **Insured** for any covered **Loss**;
- (iv) fourth, to the **Insured** for any applicable **Deductible**; and
- (v) fifth, to the **Insured** for **Loss** Page 12 specifically excluded by this policy.

Recovery by the **Insurer** from reinsurance shall not be deemed a recovery hereunder.

6. Limit of Indemnity and Retention

6.1 Limit of Indemnity

- (i) The total liability of the **Insurer** for each and every **Loss** shall not exceed the applicable **Limit of Indemnity** or any applicable Sublimit (such Sublimits are part of and not payable in addition to the **Limit of Indemnity**).
- (ii) In the event more than one **Loss** is covered under more than one insuring clause then the **Insurer's** total liability shall not exceed the highest **Limit of Indemnity** applicable to one of the relevant insuring clauses.

6.2 Retention

The **Insurer** shall only be liable for the amount of any **Loss** that is in excess of any applicable **Retention**.

In the event more than one **Loss** is covered under more than one insuring clause then only one **Retention** shall apply, being the highest **Retention** applicable to one of the relevant insuring clauses.

6.3 Loss attributable to Multiple Acts

All **Loss** attributable to **Multiple Acts** shall be considered a single **Loss** under this policy. Only one **Limit of Indemnity** and one **Retention** shall apply to such single **Loss**. In the event any such single **Loss** is covered under more than one insuring clause then the **Insurer's** total liability shall not exceed the highest **Limit of Indemnity** applicable to one of the relevant insuring clauses and only one **Retention** shall apply, being the highest **Retention** applicable to one of the relevant insuring clauses.

7. Changes in risk

7.1 New Subsidiaries

If during the **Insurance Period** any **Insured** creates or acquires a new **Subsidiary**, it shall automatically be covered under this policy provided that:

- (i) the **Subsidiary** created or acquired does not have a turnover exceeding the percentage stated in item 12 of the Schedule of the consolidated net turnover of the **Policyholder** at the time of inception of the policy, and
- (ii) the number of employees of the **Subsidiary**, created or acquired, does not exceed the percentage stated in item 12 of the Schedule of the total number of employees of the **Policyholder** and its **Subsidiaries** at the time of inception of the policy, and
- (iii) the **Subsidiary** is not a **Financial Institution**.

7.2 Past Subsidiaries

Should an entity have ceased to be a **Subsidiary** under this policy during the **Insurance Period**, there shall be no coverage under this policy for any **Criminal Act** and/or **IT Criminal Act Discovered** after the date it ceased to be a **Subsidiary**.

In partial derogation of clause 3.41 (**Subsidiary**), **Loss** arising from any **Criminal acts** and/or **IT Criminal Acts** committed in such past **Subsidiary** while such entity was a **Subsidiary**, and first **Discovered** during the **Insurance Period** or the **Discovery Period** if applicable, is covered only to the extent that

- (i) the **Insured** (which is not the former **Subsidiary**) is held legally liable for this **Loss** by a **Third-Party** or
- (ii) an **Insured** (which is not the former **Subsidiary**) incurred such **Loss**.

7.3 Merger or Acquisition

If during the **Insurance Period** a **Merger or Acquisition** occurs, the **Insurer** shall only be liable to make any payment under this policy in relation to any **Loss**, based upon or attributable to any **Criminal Act** or **IT Criminal Act** covered hereunder which occurred prior to the effective date of the **Merger or Acquisition**.

The **Policyholder** shall give the **Insurer** written notice of the **Merger or Acquisition** as soon as practicable after the **Policyholder** is first aware of the **Merger or Acquisition**.

7.4 Receivership, liquidation

If a receiver, liquidator, administrator or equivalent under the laws of any jurisdiction is appointed to **Policyholder** during the **Insurance Period**, the Insurer shall only be liable to make any payment under this policy in relation to any **Loss** based upon or attributable to any **Criminal Act** or **IT Criminal Act** covered hereunder which occurred prior to the effective date of such appointment.

If a receiver, liquidator, administrator or equivalent under the laws of any jurisdiction is appointed to any **Insured** (other than **Policyholder**) during the **Insurance Period**, the Insurer shall only be liable (in respect of and in relation to such particular **Insured**) to make any payment under this policy in relation to any **Loss** based upon or attributable to any **Criminal Act** or **IT Criminal Act** covered hereunder which occurred prior to the effective date of such appointment.

8. General Provisions

8.1 Policy administration

The **Policyholder** shall act on behalf of itself and each and every **Insured** with respect to:

- (i) negotiating the terms and conditions of and binding cover;
- (ii) the exercise of all rights of **Insureds** under this policy;
- (iii) all notices;

- (iv) premiums;
- (v) endorsements and amendments to this policy;
- (vi) dispute resolution; and
- (vii) the receipt of all amounts payable to any **Insured** by the **Insurer** under this policy.

The payment of any **Loss** and or any other amounts payable under this policy to the **Policyholder** shall fully release the **Insurer** with respect to such **Loss** and or other amounts.

8.2 Insurance Period

This Policy is in force for the **Insurance Period** set forth in item 4 of the Schedule.

8.3 Cancellation

This policy may be cancelled as follows:

- (i) by the **Policyholder** sending a written notice of cancellation which shall take effect immediately upon the **Insurer's** receipt of that written notice. On cancellation by the **Policyholder**, the **Insurer** shall refund any premium calculated at short-rate of the annual premium as stated below, unless a **Criminal Act** and/or **IT Criminal** has been **Discovered** before cancellation, in which case no refund shall be due;

Table of Short Period Rates	
Period of Risk	Amount of Premium to be Retained by the Insurer
Up to 1 month	1/8th of the Annual Premium.
1 month and above, up to 2 months	2/8th of the Annual Premium.
2 months and above, up to 3 months	3/8th of the Annual Premium.
3 months and above, up to 4 months	4/8th of the Annual Premium.
4 months and above, up to 5 months	5/8th of the Annual Premium.

5 months and above, up to 6 months	6/8th of the Annual Premium.
6 months and above, up to 7 months	7/8th of the Annual premium.
7 months and above	Full Annual Premium.

(ii) by the **Insurer** following the issue of a written notice to the address specified in the Schedule in respect of the **Policyholder** or any **Insured**. Cancellation shall take effect 30 days after the issue of such notice. On cancellation by the **Insurer**, the **Insurer** shall refund the premium calculated at pro-rata of the annual premium;

8.4 Other insurance / indemnification

Unless otherwise required by law, cover under this policy is provided only as excess over any self-insurance or other applicable insurance, unless such other insurance is written only as specific excess insurance over the **Limit of Indemnity**. This policy shall not cover any fees and expenses relating to the defence of any demand, **Claim**, suit or legal proceeding where another policy imposes upon another insurer a duty to defend such demand, **Claim**, suit or legal proceeding.

8.5 Plurals, headings and titles

The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in italic typeface have special meaning and are defined. Words that are not specifically defined in this policy have the meaning normally attributed to them.

8.6 Fraudulent notifications

If the **Insured** shall give notice of any **Loss** knowing the same to be false or fraudulent, as regards amount or otherwise, such **Loss** shall be excluded from the policy and the **Insurer** reserves the right to avoid this policy in its entirety and in such case, all **Loss** shall be forfeited.

8.7 No Third Party Rights

Notwithstanding what is stated in any Law, this Policy is not intended to confer any rights or benefits on and or enforceable by any Third-Party other than an Insured and accordingly no Third Party shall acquire any rights in relation to or under this Policy nor can enforce any benefits or claim under term of this contract against the Insurer.

8.8 Assignment

The **Insured** shall not be entitled to assign this policy nor any interest or right under the policy without the **Insurer's** written consent.

8.9 Sanctions/Embargoes

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.

8.10 Territorial scope

Where legally permissible and subject to all terms and conditions of this policy, this policy shall apply to any **Loss** incurred anywhere in the world, unless otherwise stated in item 10 of the Schedule.

8.11 Governing law

Any interpretation of this policy relating to its construction, validity or operation shall be made exclusively in accordance with the laws specified in Item 16 of the Schedule.

8.12 Jurisdiction

This policy is subject to the exclusive jurisdiction specified in Item 16 of the Schedule.

8.13 Arbitration Clause

If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of the sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act 1996 as amended from time to time and for time being in force.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Insurer has disputed or not accepted liability under or in respect of this policy. 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 of such arbitrator/arbitrators of the amount of the loss or damage shall first be obtained.

8.13 Resolving Issues

If the Insured is dissatisfied with the service received from the Insurer, then the following procedure may be followed for resolving issues.

The Insured shall include the policyPage 17number in any communication with the Insurer as this will help the Insurer to deal with the issues more efficiently. If the Insured is

Bajaj Allianz General Insurance Company Limited GE Plaza, Airport Road, Yerwada, Pune-411006, Reg. no. 113

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not having the policy number, the Branch Office of the Insurer can be contacted.

First Step

Initially, the Insured shall contact the Branch Manager/ Regional Manager of the local office which has issued the Policy. The address and telephone number will be available in the policy.

Second Step

Naturally, it is hoped the issue can be resolved to the satisfaction of the Insured at the earlier stage itself. But if the Insured feels dissatisfied with the suggested resolution of the issue after contacting the local office, an e-mail can be sent to:

Customer Care Cell

Bajaj Allianz General Insurance Co. Ltd. GE Plaza, Airport Road, Yerawada

Pune 411 006

Email: customercare@bajajallianz.co.in

If you are still not satisfied, you can approach the Insurance Ombudsman in the respective area for resolving the issue. The contact details of the Ombudsman offices are mentioned below:

Areas of Jurisdiction	Office of the Ombudsman
Gujarat, UT of Dadra & Nagar Haveli, Daman and Diu	2nd Flr., Ambica House, Nr. C.U. Shah College, 5, Navyug Colony, Ashram Road, AHMEDABAD - 380 014
	(O) 079-27546150, 27546139, Fax:079-27546142
Madhya Pradesh & Chhattisgarh	1st Floor, 117, Zone-II, (Above D.M. Motors Pvt. Ltd.) Maharana Pratap Nagar, BHOPAL - 462 011
	(O) 0755-2769200, 2769202, 2769201, Fax:0755-2769203
Orissa	62, Forest Park, BHUBANESWAR - 751 009 (O) 0674-2535220, 2533798, Fax:0674-2531607
Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, UT of Chandigarh	S.C.O. No. 101,102 & 103, 2nd Floor, Batra Building, Sector 17-D, CHANDIGARH - 160 017
	(O) 0172-2706196, 2705861, EPBX: 0172-2706468, Fax: 0172-2708274

Tamil Nadu, UT–Pondicherry Town and Karaikal (which are part of UT of Pondicherry)	Fatima Akhtar Court, 4th Flr., 453(old 312), Anna Salai, Teynampet, CHENNAI -600 018
	(O) 044-24333678, 24333668, Fax: 044-24333664
Delhi & Rajashthan	2/2 A, 1st Floor, Universal Insurance Bldg., Asaf Ali Road, NEW DELHI – 110 002
	(O) 011-23239611,23237539, 23237532, Fax: 011-23230858
Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura	Aquarius, Bhaskar Nagar, R.G.Baruah Rd, GUWAHATI-781 021
	(O) 0361-2413525, EPBX: 0361-2415430, Fax: 0361-2414051
Andhra Pradesh, Karnataka and UT of Yanam – a part of the UT of Pondicherry	6-2-46, 1st Floor, Moin Court, Lane Opp.Saleem Function Palace, A. C. Guards, Lakdi-Ka-pool, HYDERABAD - 500 004.
	(O) 040-23325325, 23312122, 65504123, Fax:040-23376599
Kerala, UT of (a) Lakshadweep, (b) Mahe – a part of UT of Pondicherry	2nd Flr., CC 27/ 2603, Pulinat Building, Opp. Cochin Shipyards, M.G. Road, ERNAKULAM - 682 015
	(O) 0484-2358734, 2359338, 2358759, Fax:0484-2359336
West Bengal, Bihar, Jharkhand and UT of Andaman & Nicobar Islands, Sikkim	North British Bldg. 29, N.S. Road, 3rd Flr., KOLKATA -700 001.
	(O) 033-22134869, 22134867, 22134866, Fax: 033-22134868
Uttar Pradesh and Uttaranchal	Jeevan Bhawan, Phase 2, 6th Floor, Nawal Kishore Rd., Hazartganj, LUCKNOW - 226 001
	(O) 0522-2201188, 2231330, 2231331, Fax:0522-2231310
Maharashtra, Goa	3rd Flr., Jeevan Seva Annexe, S.V. Road, Santa Cruz (W), MUMBAI - 400 054
	(O) 022-26106928, 26106360, EPBX: 022-6106889, Fax: 022-26106052

Note: Address and contact number of Governing Body of Insurance Council

Secretary General - Governing Body of Insurance Council

Jeevan Seva Annexe, 3rd Floor, S.V. Road, Santacruz (W), Mumbai - 400 054

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UIN No: BAL-LI-P15-16-V01-15-16

Tel No: 022-2610 6889, 26106245, Fax No. : 022-26106949, 2610 6052, E-mail ID:
inscoun@vsnl.net
