

**FIDELITY GUARANTEE POLICY
(COLLECTIVE)**

Dear Valued Insured,

Thank you for choosing Cocogen Insurance, Inc. as your Insurer.

This insurance contract between you and Cocogen consists of the Application Form, the Policy, the Schedule, and the Endorsements, if any. Please note that in accepting this insurance, we relied on the information you have provided us.

In consideration of the payment of the premium shown in the Schedule, we agree to pay you, subject to the terms and conditions contained in or endorsed on this insurance contract, against loss or damage in the manner and to the extent provided in this Policy.

Should you have clarifications and concerns on this insurance contract, feel free to call us at (632) 8-830-6000 or send us an email at client_services@cocogen.com. To learn more about our products and services, please visit our website at www.cocogen.com.

Your Insurance Provider,

COCOGEN INSURANCE, INC.

IMPORTANT NOTICE

The Insurance Commissioner, with offices in Manila, Cebu, and Davao, is the Government official in charge of the enforcement of all laws relating to Insurance and has supervision over insurance companies. He is ready at all times to render assistance in settling any controversy between an insurance company and a policyholder relating to insurance matters.

Do not fail to notify the Company of every event which results in a claim under this Policy however small, immediately on occurrence. In communications with the Company, always give the number of Policy.

ARTICLE 1250 OF THE CIVIL CODE WAIVER

You agree that the following provision of the Civil Code of the Philippines shall not apply in determining the extent of Our liability under this insurance contract:

"Art. 1250. In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment xxx."

Cocogen has caused this insurance contract to be signed by its duly authorized officer in the place and on the date appearing in the Schedule.

COCOGEN INSURANCE, INC.

T.I.N. 000 432 798



Atty. David Roy C. Padin

President

WHEREAS the Insured, by a proposal which is the basis of this Contract and is made part hereof, has applied to **COCOGEN INSURANCE, INC.** (hereinafter called the "Company") for the insurance defined hereon and has paid premium stated in the Schedule as consideration for such insurance.

THE COMPANY agrees subject to the terms, exclusions, limits and conditions contained herein or endorsed hereon to indemnify the Insured against all direct pecuniary loss not exceeding the amount of Guarantee as the Insured shall sustain by all acts of fraud or dishonesty committed by any of the Employee as specified in the Schedule committed on or after the commencement date specified in the Schedule (a) during the Period of Indemnity; (b) discovered not later than six (6) months after the resignation, dismissal, retirement or death of the defaulting Employee/s not later than three (3) months after the termination of this Policy, whichever shall happen first.

CONDITIONS

1. Unless the Company be advised and its written approval be obtained the Company shall not be liable hereunder in the event of any change in the nature of the business of the Insured or in the duties and conditions of service of the Employee, or if the remuneration of the employee be reduced, or its basis altered, or if the precautions stated by the Insured with regards to accounting be not duly observed, or if the Insured shall continue to entrust the Employee with money or goods after having knowledge of any material fact bearing on the honesty of the employee.
2. Notice of Loss. The Insured shall give notice in writing to the Company at its address in Pasig City, any act of fraud or dishonesty committed by an employee within seven (7) days after the same shall have come to the knowledge of the Insured or any of his representative to whom is entrusted the duty of superintendence over any of the Employed.

Within two (2) months after such notice, the Insured shall deliver to the Company full details of the claim and shall furnish proof of the correctness of such claim. The Company shall not be liable to pay more than one (1) claim in respect of anyone of the Employed. All books of accounts of the Insured or any accountant's report thereon shall be open to the inspection of the Company and the Insured shall give all information and assistance to enable the Company to sue for and obtain reimbursement by anyone of the Employed of his estate if any money which the Company shall have paid or become liable to pay under this Policy.

3. If any part of the Premium is based on estimates furnished by the Insured, the Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record.

The Insured shall within one (1) month after expiry of Period of Guarantee furnish such information as the Company may require. The premium shall thereupon be adjusted and the difference paid by or allowed to the Insured.

4. This Policy shall be void as to any of the Employee/s affected:

- (a) If any suppression or misstatement of any fact affecting the risk of the Company be made at the time of effecting this Policy or subsequently; or
- (b) If the precautions and checks for securing accuracy of accounts and limiting the amount of money received by or entrusted to any of the employees at any one time, shall not be duly observed and put in practice on the part of the Insured in accordance with said written statement/s; or
- (c) If there be any change in the circumstances and conditions of the employment of any of the Employee/s without in every case the consent or sanction of the Company, signified by endorsement herein; or
- (d) If the Insured shall continue to entrust an employee with money or any other property whatsoever after having discovered the commission at any time by the said Employee of any act insured against.

In all cases where this Policy is void, or ceases to be in force, in respect of any employees, all money paid to the Company in respect of such employee shall be forfeited.

5. **Acts Committed by Employee.** The Company shall not be liable for any loss due to an act insured against, committed by an Employee subsequent to the date upon which knowledge of any previous act insured against committed by the same employee, shall have come to the knowledge of the Insured or to any of his Representative to whom it is entrusted the duty of superintendence over the said Employee.
6. **Defalcation Clause.** The Insured shall, if required by the Company, give information and furnish evidence to the Criminal Authorities of any act or acts insured against, committed or supposed to have been committed, by any of the Employees, in consequence of which a claim may be made under this

Policy and the Insured shall, if so required by the Company, forthwith prosecute the Employee for such acts, subject to the payment by the Company of all expenses necessarily incurred by the Insured in such prosecution.

7. **Contribution Clause.** The Company shall only be liable to contribute pro-rata with any other guarantee, whether by policy or otherwise, held by the Insured, whether such guarantee, and of any limitation, discharge or termination thereof.
8. **Arbitration Clause.** All differences as to the amount of any loss or damage covered by this Policy shall be referred to the decision of an arbitrator to be appointed by the parties in difference, or if they can not agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within thirty (30) days after having been required in writing to do so by either of the parties or in case of disagreement between the arbitrators, to the decision of an umpire to be appointed in writing by the arbitrators before entering on the reference and an award by the arbitrator or arbitrators or umpire, shall be a condition precedent to any right of action against the Company.
9. **Action or Suit against Company Clause.** If a claim be made and rejected and an action or suit be not commenced either in the Insurance Commission or any court competent jurisdiction within twelve (12) months from receipt of notice of such rejection, or in case of arbitration taking place as provided herein, within twelve (12) months after due notice of the award made by the arbitrators or umpire, then the claim shall all purpose be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
10. **Renewal Clause.** In accordance with Section 66 of Presidential Decree No. 1460, otherwise known as the Insurance Code, unless the Company, at least forty-five (45) days in advance of the end of the Policy Period, mails or delivers to the Insured at the address shown in the Policy, notice of its intention not to renew the Policy or to condition its renewal upon reduction of limits or elimination of coverages, the Insured shall be entitled to renew the Policy upon payment of the premium due on the effective date of renewal.

CANCELLATION

This Policy shall not be cancelled by or on behalf of the Company except in accordance with and pursuant to the provisions of Sections 64 and 65 of the Insurance code. In the event of such cancellation, the Company shall refund the paid premiums less the earned portion thereof to the Insured. Likewise, this Policy may be cancelled on the short rate basis set forth in the Short Rate Commission Table at the request of the Insured.

SHORT PERIOD RATE SCALE

It is hereby agreed that, in the event that this Policy is surrendered by the Insured for cancellation, the Company shall retain a portion of the annual premium in accordance with the following scale for the time the Policy has been in force:

If insurance contract remains in force for only:	We will retain:
1 month or less	20% of the premium
2 months	30% of the premium
3 months	40% of the premium
4 months	50% of the premium
5 months	60% of the premium
6 months	70% of the premium
7 months	75% of the premium
8 months	80% of the premium
9 months	85% of the premium
10 months	90% of the premium
11 months	95% of the premium

NUCLEAR EXCLUSION CLAUSE

1. This Policy does not cover:
 - (a) Loss or destruction of, or damage to any property whatsoever, or any loss or expense whatsoever, resulting or arising therefrom or any consequential loss.
 - (b) Any legal liability of whatsoever nature, directly or indirectly caused by, or contributed to, by, or arising from, ionizing radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, only combustion shall include any self-sustaining process of nuclear fission.
2. The indemnity provided by this Policy shall not apply to, nor include any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to, by, or arising from, nuclear weapons material.