

FIDELITY GUARANTEE INSURANCE

Terms and Conditions(EN)

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General Terms and Conditions

Article 1 (Formation of Fidelity Guarantee Insurance Contract)

① A Fidelity Guarantee Insurance contract shall be formed with a prospective Fidelity Guarantee Insurance principal's application for Fidelity Guarantee Insurance (the "Application") and Seoul Guarantee Insurance Company - Hanoi Branch's acceptance thereof (the term "Fidelity Guarantee Insurance contract" shall be hereinafter referred to as the "Contract", "Fidelity Guarantee Insurance principal" as the "Principal", and "Seoul Guarantee Insurance Company - Hanoi Branch" as the "Company").

② Any application and acceptance of the Contract shall be made in writing. The Company accepts the Application from the Principal by issuing Fidelity Guarantee Insurance Certificate (the "Certificate") to the Principal.

③ If, prior to acceptance by the Company, the Principal has deposited with the Company an amount equivalent to the insurance premium (if any), such deposited amount shall be deemed the premium upon the Company's acceptance of the Application, and the Contract shall thereby be executed. If the Company rejects the Application, it shall give a rejection notice and return to the Principal the amount deposited with the Company in connection with the rejected Application.

④ If a Contract already formed is extended or amended, the Company may state such extension or amendment on the Certificate instead of issuing another Certificate.

Article 2 (Duty to Deliver the General Terms and Conditions and Duty to Explain, etc.)

① Upon receipt of an Application from a Principal, the Company shall deliver to the Principal a copy of the General Terms and Conditions, and a copy of such Application for the Principal's retention, and shall explain to the Principal the key terms of the General Terms and Conditions.

② The Application executed and submitted by the Principal and the General Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① this Article shall form integral parts of the Contract.

Article 3 (Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an Application on a date specified in the Certificate issued by the Company to the Principal.

② The Company shall provide coverage to the Principal in accordance with the General Terms and Conditions from the time the Company accepts the Application and receives the applicable premiums.

Article 4 (Withdrawal of Application)

Prior to the Company's acceptance of the Application, the Principal may withdraw its Application. Upon receipt of such withdrawal by the Company, the Company shall return to the Principal, without interest, any amount deposited (if any) by the Principal with the Company in relation to this withdrawn Application.

Article 5 (Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with the written approval of the Company. In such event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the Certificate:

1. The insurance period;
2. Other contents of the Contract, including the Principal, the Beneficiary, the Obligor, and the insured amount.

② If a Principal intends to shorten insurance period and/or reduce the insured amount under paragraph ① this article , and if any portion of the premium is refundable as a result of such changes, the Company shall refund such amount to the Principal as specified in the Article 14 (Refund of Premium).

Article 6 (Coverage)

The Company shall, pursuant to the terms of the Certificate and the General Terms and Conditions, indemnify the Beneficiary solely for any direct and actual loss of property incurred as a result of acts committed by the Obligor, as specified in the Certificate, limited to theft, robbery, fraud, and embezzlement.

<Definition>

1. "Actual loss" means the damages payable by the Obligor to the Beneficiary, which may be determined according to other agreement or applicable law if any.
2. "Property" means valuables such as money, funds, products, tangible assets and marketable securities.
3. "Obligor" means a person who is in labor relationship with the Beneficiary, works for the Beneficiary as agreed, and is managed, controlled and supervised by the Beneficiary.
4. "Labor relationship" means a social relation which arises in respect of the employment and salary payment between an employee and an employer.
5. "Theft" means the act of blatantly or secretly appropriating the Beneficiary's property without permission.
6. "Robbery" means using force, threatening to use immediate force, or committing another act that renders the Beneficiary unable to resist, for the purpose of appropriating property of the Beneficiary.
7. "Fraud" means appropriating the Beneficiary's property by providing false information, concealing truth, or committing other deceitful acts.
8. "Embezzlement" means abusing one's position or authority to appropriate property of the Beneficiary that one is responsible for managing.

Article 7 (Coverage Triggers)

① The Company shall indemnify the Beneficiary for direct and actual loss of property which:

1. occurs a) on or after the Retroactive Date specified in the Certificate and b) on or before the expiry or the termination of the insurance period, and
2. is discovered a) during the insurance period or b) within six months from the earlier of (x) the expiry date of the insurance period, or (y) the termination of the labor relationship between the Obligor and the Beneficiary.

<Definition>

“Discovery” is deemed to have occurred when the Beneficiary’s officers and/or employees (except the Obligor) first become aware of facts from which a reasonable person could infer the occurrence of a direct and actual loss of property covered under the Contract, even if the exact amount or details of such loss are not yet known.

② The Company shall not indemnify the Beneficiary for direct and actual loss of property which:

1. occurs a) before the Retroactive Date specified in the Certificate or b) after the expiry date or termination of the insurance period, or
2. is not discovered a) during the insurance period, or b) within six months from the earlier of (x) the expiry date of the insurance period, or (y) the termination of the labor relationship between the Obligor and the Beneficiary.

③ In case the Contract is renewed, the coverage triggers under subparagraph 2b) of paragraph ① and subparagraph 2b) of paragraph ② shall not apply.

Article 8 (Payment of Indemnity Proceeds)

① The indemnity proceeds payable by the Company to the Beneficiary, shall be the amount that the Obligor is liable to indemnify the Beneficiary for direct and actual loss of the Beneficiary’s property arising from a loss event.

<Definition>

“A loss event” means a single act or the combination of all separate acts or a series of continuous acts committed by the Obligor which resulted in any direct and actual loss of property covered under the Contract.

② In case there are “any reduced amounts” at the time of calculating indemnity proceeds, such amounts shall be deemed to have been first appropriated to satisfy any losses not covered under the Contract.

<Definition>

“Any reduced amounts” means any amounts reduced by repayment made by the Obligor, recovery by the Beneficiary, waiver or reduction pursuant to the Beneficiary’s decision or applicable law, or any amount subject to set-off.

③ The amount of the indemnity proceeds under Paragraph ① through ② above shall not exceed the insured amount for an Obligor specified in the Certificate.

④ The Company’s insurance liability under the Contract shall in no event be aggregated or combined with its liability under any prior or subsequent contract, or under any other insurance contract. The Company’s maximum liability shall be limited to the amount specified in the Contract.

Article 9 (Exclusion)

① The Company shall not indemnify the Beneficiary for:

1. Fines, penalties, or punitive damages;
2. Unrealized revenue, including but not limited to interest and dividends;
3. All fees, costs and expenses; and
4. Indirect or consequential losses other than those referred to in subparagraphs 1 through 3 above.

② The Company shall not indemnify the Beneficiary for direct and actual losses arising from the following causes:

1. Acquisition of property by the Beneficiary in breach of the laws and regulations;
2. Physical damage to property;
3. Liability for damages borne by the Beneficiary under law;
4. Non-performance of obligation due to war, revolution, civil war, emergency, terrorism, riot, commotion, or any other incident similar thereto under the scope of force majeure according to the legal provisions;
5. Non-performance of obligation due to an act of God such as earthquake,

eruption, flood, tidal wave, or any other natural calamity similar thereto under the scope of force majeure according to the legal provisions;

6. Non-performance of obligation due to the accidents resulting from radioactive, explosive, other toxic attributes or attributes of the materials for nuclear fuels (including the fuels used; the same hereinafter) or the materials (including the materials produced from nuclear fission) contaminated with the materials for nuclear fuels.

Article 10 (Duty to Notify before Execution of Contract)

① At the time of filing the Application, the Principal or its authorized representative shall fully and truthfully disclose all facts known to them in response to the questions set forth in the insurance application form, including any accompanying questionnaires.

② Prior to the conclusion of the Contract, the parties shall comply with all other obligations as prescribed under the Law on Insurance Business and other applicable legislation.

Article 11 (Duty to Notify after Execution of Contract)

① After the conclusion of the Contract, the Principal and/or the Beneficiary shall promptly notify the Company in writing upon the occurrence of any of the following events:

1. Any change in, or intention to change, the matters stated in the Application form;
2. Change of the Obligor;
3. Change of the Principal and/or the Beneficiary;
4. Any change in the amount of coverage, the policy period, or any other matter materially affecting the Company's liability for payment of the indemnity proceeds.

② Upon receipt of the notification under paragraph ① above, the Company shall, within one (1) month, decide whether to approve such change, and may adjust the premium accordingly by either charging an additional premium or refunding a portion thereof.

③ The Principal and/or the Beneficiary shall bear all the losses arising from its failure to provide timely notice as required under paragraph ①.

④ If the Principal has changed its address or contact information, the Principal shall promptly notify the Company. In the event that the Principal fails to provide such notice, any written communication sent by the Company to the last known address or contact information on record shall be deemed to have been duly delivered after the passage of the period ordinarily required for delivery.

Article 12 (Termination of Contract)

① The Principal may terminate the Contract at any time.

② The Company may terminate the Contract in case the Principal fails to pay the insurance premiums, delays such payment, or otherwise breaches the payment obligation.

③ The Contract may be terminated when the Company or the Principal does not accept the request for change in the level of insurable risk under Article 11 herein.

④ The Contract may be terminated when the Principal no longer has the insurable interest.

⑤ The Contract may also be terminated on any other grounds as prescribed under the Law on Insurance Business or other applicable law.

Article 13 (Annulment of Contract)

① The Contract shall be null and void if the Principal or the Beneficiary deliberately provides incomplete or false information with the aim of concluding the Contract.

② The Contract, if concluded by fraud, shall be null and void.

③ The Contract shall be null or void in other circumstances as regulated by Law on Insurance Business.

④ When the Contract is null and void, it shall be deemed never to have been in force from the date of execution. The Company and the Principal shall be obliged to return what they have received to each other. The party at fault shall be liable for any damages suffered by the other party.

Article 14 (Refund of Premium)

① The Company shall refund the premiums under the Contract in the following cases:

1. The Principal changes the insured amount in accordance with paragraph ① Article 5 herein.
2. The Principal changes the insurance period in accordance with paragraph ① Article 5 herein.
3. The Contract is terminated in accordance with the Article 12 herein.
4. The employment relationship has not been established between the Obligor and the Principal even though the Company has issued the Certificate to the Principal.

② The Principal shall submit the Certificate and supporting documents evidencing the grounds for refund under paragraph ① above at the time of making the claim for refund of the premium.

③ The refundable premium in the case of subparagraph 1 of paragraph ① of this Article shall be the difference between the recalculated premium based on the reduced insured amount for the remaining period of insurance and the unearned portion of the original premium.

④ The refundable premium in the case of subparagraphs 2 and 3 of paragraph ① of this Article shall be the unearned premium, calculated as the premium already received by the Company less the earned premium (provided that if the minimum premium exceeds the earned premium, the minimum premium shall apply).

⑤ The refundable premium in the case of subparagraph 4 of paragraph ① of this Article shall be the premium or deposit already received less the minimum premium.

⑥ The earned premium specified in paragraph ④ shall be calculated on the prorated daily basis for the elapsed period from the commencement date of the insurance period to the date of Company's receipt of application documents for refund of premium.

⑦ The unearned premium specified in paragraph ③ this Article shall be the premium received by the Company less the earned premium.

⑧ The Company shall not refund any premium relating to the Obligor in respect of whom a loss event has occurred under the Contract.

Article 15 (Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without written consent of the Company, and where the Company grants written consent, all rights and obligations arising under the Contract shall be deemed to have been transferred together.

Article 16 (Transfer or Collateral Provision of Right to Claim)

The Beneficiary's right to claim indemnity proceeds payment arising under the Contract shall not be assigned, transferred, or provided as a collateral to any third party without the prior written consent of the Company.

Article 17. (Duty to Notify, Prevent, and Mitigate Loss)

① The Principal and the Beneficiary shall immediately notify the Company upon discovery of any direct and actual loss of property. If the Principal and the Beneficiary have any reason to believe that any direct and actual loss of property involves a violation of law, the Principal and the Beneficiary must also notify the same to the law enforcement authorities.

② The Principal and the Beneficiary shall take all reasonable and active measures to prevent any direct and actual loss of property covered under the Contract, and shall comply with the Company's instructions, if any, in this regard.

③ The Principal and the Beneficiary shall take all reasonable and active

measures to mitigate any direct and actual loss of property covered under the Contract, and shall comply with the Company's instructions, if any, in this regard.

④ If the Beneficiary, through willful misconduct or gross negligence, breaches the obligations under paragraph ② or ③ above, any portion of the loss that could have been avoided or reduced but for such breach shall be excluded from the indemnity proceeds payable under the Contract.

Article 18 (Claim for Indemnity Proceeds)

① When the Beneficiary claims for payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;
3. The Certificate or a copy thereof;
4. Documents evidencing that the loss claimed constitutes a direct and actual loss of property covered under the Contract;
5. Other documents required by the Company.

② Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall review the claim and determine the amount of indemnity proceeds payable, and pay such amount within fifteen (15) days from the date the payable amount is determined.

③ If the Company fails to pay the indemnity proceeds within the period specified in paragraph ②, it shall pay interest on the overdue amount at the inter-bank interest rate set by the State Bank of Vietnam at the time of payment, calculated from the date the payment became due until the date on which the indemnity proceeds are actually paid, provided however that, if the Certificate expressly specifies a different interest rate or payment period requested by the Beneficiary or the Principal, such provisions shall prevail.

Article 19 (Time Limit for Insurance Claims)

The time limit for requesting indemnity proceeds is one year from the occurrence of a loss event.

Article 20 (Right to Indemnity and Subrogation)

If the Company pays indemnity proceeds to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Obligor, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Obligor corresponding to the scope and paid claim indemnity proceeds.

Article 21 (Recoveries)

Any amount repaid by the Obligor to the Company, or recovered by the Company through the disposal of collateral, set-off, collection, or any other means, shall be applied in priority to the repayment of the Company's claim arising from the indemnity proceeds paid to the Beneficiary, and shall not be applied toward any debt owed by the Obligor to the Beneficiary unless and until the Company's subrogated claim has been fully satisfied.

Article 22 (Jurisdiction)

Any dispute arising out of or in relation with the Contract shall be resolved by arbitration at the Vietnam International Arbitration Centre (VIAC) in accordance with its Rules of Arbitration. The place of arbitration shall be Hanoi, Vietnam. The language to be used in the arbitral proceedings shall be Vietnamese. The number of arbitrators is three (03). The arbitral award rendered by the arbitral tribunal shall be final and binding upon the parties. Notwithstanding the foregoing, the Company, the Principal and/or the Beneficiary may mutually agree in writing to designate a different forum for the resolution of any dispute arising from the Contract.

Article 23 (Governing Law)

The General Terms and Conditions shall be governed by laws of the Socialist Republic of Vietnam.