

FIDELITY GUARANTEE POLICY

Good people to know.



How the Fidelity guarantee policy works

Date of preparation: 3 March 2009

About the insurer and WFI

The insurer for this Fidelity guarantee policy is Wesfarmers General Insurance Limited (ABN 24 000 036 279) ("WGIL") whose contact details are:

Telephone: 1300 934 934

Post: Locked Bag 1,

Bassendean DC WA 6942

WGIL is an Australian Financial Services Licensee (AFSL No. 241461) authorised to issue, vary and cancel general insurance products and provide general financial product advice in relation to general insurance.

WFI is a trading name of WGIL.

WFI can be contacted on 1300 934 934 or via email at info@wfi.com.au

This is a Fidelity guarantee policy. It provides details of the insurance cover You can take out with Us.

Understanding the significant features and benefits

To properly understand the significant features and benefits of the policy, You need to:

- read the
 - Important information (page 3)
 - General conditions (page 7)
 - General definitions (page 8)which apply to the policy
- read the policy wording - it tells You what the policy covers, what the policy does not cover, any additional benefits We provide, special conditions We apply and what We pay for a claim. There is an index at the front of the policy for easy reference.

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Important information

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Our words

To make sure You can readily understand Your rights and obligations, We have written this document in plain English. For easy reference, We have capitalised the first letter of each word which We define in Our 'General definitions'. This does not apply to headings. All of the other words in this document have the meanings set out in the Macquarie Dictionary (current edition) so that You can easily find out what they mean.

Applying for insurance cover

To apply for insurance cover, You must complete Our Proposal. When You do so, You must comply with Your duty of disclosure which We tell You about on this page. It is also important You understand how We manage Your personal information which We tell You about in Our Privacy information on page 6.

When We receive Your completed Proposal, We will consider the information You provide and inform You whether We are able to offer You insurance cover and the total premium You need to pay for Your policy if We do (see 'The cost of Your insurance' on this page).

Details regarding the cover and the Period of Insurance during which the policy will operate are recorded in the certificate of insurance We issue to You. You need to read it carefully to ensure You are happy with the cover provided and check that the details are correct. We suggest You keep the certificate of insurance and all policy documents in a safe place.

The agreement between You and Us

We only provide You with insurance under a policy for which We issue You with a certificate of insurance and only for the Period of Insurance shown on the certificate of insurance. The insurance provided under this policy is also subject to Our General conditions, together with provisions shown on the certificate of insurance issued to You.

If a provision shown on the certificate of insurance is inconsistent with a provision contained in this policy then, to the extent of the inconsistency, the provision shown on the certificate of insurance prevails.

The cost of Your insurance

We determine the base premium by considering a number of criteria.

When You apply for insurance We ask You to provide information about Your personal risk situation relevant to the policy, such as:

- the cover You require, and the sum insured You choose; and
- Your relevant claims and insurance experience.

Factors that increase the risk to Us generally increase the premium (e.g. higher sums insured or a high claims experience) and those that lower the risk generally reduce the premium (e.g. lower sums insured, higher excesses or low claims experience). If You have any queries about this You can ask Us when You apply for cover.

Your premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges and taxes (e.g. Stamp Duty and GST) in relation to Your policy. We show the amounts on Your certificate of insurance.

We tell You when You apply for insurance how and when the premium (i.e. total amount payable) needs to be paid. It is a term of Your policy that You pay the premium to Us by the time required by Us.

Excess (Your contribution)

An excess is the first part of any claim on a policy which You must pay. The amount We must pay under the policy is reduced by the amount of the excess. You only have to pay an excess if it is mentioned in this policy or shown on the certificate of insurance.

Sometimes We introduce or increase an excess on renewal of a policy. We generally do this because of rising claim numbers and costs and to minimise any increase in premium that would otherwise be required to cover those rising claim numbers and costs.

We show the new excess on the certificate of insurance that We issue to You confirming cover.

Your duty of disclosure

What You must tell Us before We issue a policy to You for the first time

Before considering whether to issue a policy to You, We need Your answers to the questions set out in

Our Proposal. When answering the questions in Our Proposal, You must be honest and You have a duty under law to tell Us everything known to You and which a reasonable person in the circumstances would include in answer to the questions.

We will use the answers in deciding whether to insure You and anyone else to be insured under the policy and if so, on what terms.

What You must tell Us before We renew, vary, extend, replace or reinstate Your policy

In these situations, We do not typically ask You to complete a Proposal.

When You ask Us to renew, vary, extend, replace or reinstate Your policy, You must tell Us before We do so about every matter known to You, which You know or a reasonable person in the circumstances could be expected to know, is relevant to Our decision whether to insure You and if so, on what terms. At the very least, if something has changed since the policy was first issued and You would now answer any of the questions set out in the original Proposal differently, then You must tell Us about the change.

What You do not need to tell Us

When applying for a policy for the first time or for Your policy to be renewed, varied, extended, replaced or reinstated, You do not need to tell Us about any matter that:

- diminishes Our risk
- is of common knowledge
- We know, or in the ordinary course of Our business as an insurer, ought to know
- We tell You in writing We do not need to know.

Who needs to tell Us

Everyone who is shown on the certificate of insurance as an insured must comply with the duty of disclosure. If You provide information on behalf of another insured, it is as if they provided that information to Us.

What happens if an insured does not comply with the duty of disclosure

If an insured does not comply with the duty, We may reduce or refuse to pay a claim, or cancel the policy. If fraud is involved, We may treat the policy as if it never came into existence and accordingly pay nothing for any claim You may otherwise have had on the policy.

If You are not sure whether or not to tell Us something, it is best to tell Us.

Utmost good faith

The law requires each of us to act towards the other with utmost good faith (fairly, openly and honestly) in the performance of the policy and in the making and handling of claims under the policy.

Jurisdiction

This policy is governed by and will be construed in accordance with the laws of Australia and the parties agree to submit to the jurisdiction of the courts of Australia.

GST on claims

The sums insured, limits of indemnity and other limits in Your policy are inclusive of any GST that may be payable. This means You must take GST into account when determining the appropriate amounts You want to insure for.

If We arrange to replace, repair or reinstate an item which is the subject of a claim, We will pay the cost to replace, repair or reinstate inclusive of GST. However, We will not replace, reinstate or repair an item where the cost to do so will exceed the amount of the relevant sum insured, limit of indemnity or other limit in Your policy for the item.

If We settle Your claim by making a payment to You, We will reduce the amount of Our payment by the amount of any input tax credits to which You would be entitled if You made an acquisition to repair or replace the item which is the subject of the claim. However, the actual amount We pay You will not exceed the amount of the relevant sum insured, limit of indemnity or other limit in Your policy for the item.

If You register or are registered for GST You are required to tell Us Your entitlement to an input tax credit on Your premium.

If You do not disclose or if You understate Your entitlement, You may be liable for GST on settlement of the claim. This policy does not insure You for this GST liability or for any fine, penalty or charge for which You may be liable

Dishonest claims

If You make a dishonest claim, We can refuse to pay it. We may also cancel the policy.

Changing the terms of a policy

You may ask Us to change a term of Your policy. If We agree, We confirm the change in writing.

Your cooling-off right

If You wish to reconsider Your decision to insure with Us, please contact Us to discuss Your concern. If You decide not to proceed, You can exercise a cooling-off right by notifying Us in writing within 14 days of receiving the certificate of insurance that You want to do this. If You do this and You have not made a claim and nothing has happened which would entitle You to make a claim, We will fully refund the premium You paid to Us.

When You can cancel

You can cancel this policy at any time by writing to Us requesting cancellation. If You cancel, other than under 'Your cooling-off right', We refund the premium less an amount which covers the period for which You were insured, reasonable administrative costs relating to the issue and cancellation of the policy and any government taxes or duties We cannot recover.

However, if You have made a claim or are entitled to make one under the policy:

- there is no return of premium for any unused portion; and
- We may deduct from any claim payment premium already refunded to You.

We do not refund premium if the certificate of insurance specifically says there is no refund of premium.

When We can cancel

We may cancel a policy as allowed by the Commonwealth Insurance Contracts Act 1984. We give You a notice in writing.

If We cancel, We refund the premium less an amount to cover the period for which You were insured.

Code of Practice

We have adopted the General Insurance Code of Practice developed by the Insurance Council of Australia. The Code is a self regulatory code for general insurers in Australia. We embrace the objectives of the Code to raise standards of practice and service in the general insurance industry.

Our Complaints Handling Procedures

To access Our Complaints Handling Procedures, simply contact Your local WFI Area Manager, Client Service Team or the Claims Officer handling Your claim. If You have a complaint, We will do everything possible to resolve the matter on Your initial contact with Us. If a complaint is not resolved, We will treat it as a dispute and will enter it into Our 'Internal Dispute Resolution' process. The complaint will then be considered by a designated Internal Dispute Resolution Officer of Wesfarmers General Insurance Limited with the appropriate experience, knowledge and authority to deal with it.

Details of Our 'Complaints Handling Procedures' are set out in Our brochure 'Handling Complaints and Dispute Resolution Our Commitment to You' and in Our 'Privacy' brochure. The brochures tell You how to access Our 'Complaints Handling Procedures'. You can contact Us for these brochures or access them online at www.wfi.com.au

If We are unable to resolve Your complaint through Our 'Complaints Handling Procedures', You may be able to have Your complaint dealt with by the Financial Ombudsman Service Limited, which is a free, independent and impartial external dispute resolution service. Its contact details are as follows:

Financial Ombudsman Service
Telephone: 1300 78 08 08
Post: GPO Box 3, Melbourne, Victoria 3001
Website: www.fos.org.au
Email: info@fos.org.au

If Your complaint is to do with a privacy issue, You may refer it to the Federal Privacy Commissioner.

Privacy

We are committed to meeting Our privacy obligations to You under the Commonwealth Privacy Act 1988. We collect Your personal and other information to carry out Our various business functions or activities, including deciding whether to provide You with insurance cover and when We do, managing Our rights and obligations under that cover. We also collect Your information so that We and Our related companies and business alliance partners can offer You services and products that We believe may be of interest to You. However, You can opt out of receiving such communications.

We only disclose information to someone outside Wesfarmers General Insurance Limited where:

- necessary for the above purposes (e.g. to a risk or claims assessor or investigator, lawyer, reinsurer, agent, sales associate, market research organisation or business alliance partner)
- a lawful exception applies (e.g. to lessen or prevent a serious and imminent threat to a person's life, health or safety)
- You consent to Us doing so.

If You do not provide this information, We may not be able to provide You with the services You require.

Where You give Us personal information about another person, You must be authorised to provide that information and agree to inform them of the information contained within this privacy notice.

You can seek access to Your personal information and require Us to correct it if it is inaccurate, incomplete or out of date. For further information, read Our brochure 'Privacy', or visit Our website at www.wfi.com.au

General advice warning

Any advice We or Our representatives provide is general advice only and does not take into account Your personal objectives, financial circumstances or needs. Before You decide to acquire this policy, You should carefully read this document and consider the appropriateness of the policy having regard to Your objectives, financial situation and needs.

Contacting Us

We are happy to help You with any enquiries You have about this policy or the extent of Your insurance cover or to confirm any policy transaction. Please feel free to contact Us at any time.

General conditions

applying to this policy

Claims

If You have made a claim for a loss or if an event has happened that might lead You to making a claim for a loss, You must:

- do everything You can to limit the loss
- immediately tell the police
- immediately tell Us about the claim or the event and send Us written details when We require this
- immediately send Us any correspondence You receive about the claim or the event; and
- give Us any information and help We may need in handling the claim.

What We may do

If We have paid or agreed to pay a claim, We have the right to proceed in Your name against any Person responsible for the loss. We take this action at Our expense. You must not do anything which limits Our right to do so.

What can affect Your entitlements

We may decline or reduce the amount of any claim or refuse to indemnify You, if You enter into an agreement which excludes or limits Our rights to recover damages or a contribution from another Person.

If You do not do what You are obliged to do under Your policy, We may refuse to pay a claim or any part of it.

General definitions

applying to words We use in this document

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 organisation(s) or government(s), which from its nature or context is done for, or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Business means the 'Business' shown on the certificate of insurance.

Employee means a person who works for You in the Business, but does not include:

- an insured
- a director, partner or sole proprietor of the Business, a trustee of a trust that owns the Business or any broker, factor, commission agent, consignee, contractor, investment banker or other agent or representative of the Business.

Fraud means fraud or dishonesty.

Person means a natural person, firm, company, partnership or incorporated association.

Proposal means the documents in which We ask questions relating to Your application to Us for insurance cover under this policy.

Retail Cost means retail cost as new less an amount for wear, tear and depreciation.

We, Us, and Our means Wesfarmers General Insurance Limited.

You, Your and Yourself means the Person or entity shown on the certificate of insurance as the insured. If 2 or more Persons or entities are shown, You means each of them jointly and separately, subject to Our total liability not exceeding the sums insured or limits of liability described in this policy. Each of the insured is responsible for the completeness and accuracy of information in any Proposal forms, documents, statements or claims supplied by any one of them. Each one is also obliged to comply with the terms of the policy.

Fidelity guarantee policy

The General conditions on page 7 apply to this policy

The General definitions on page 8 apply to words used in this policy.

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What You are insured against

This policy insures You against loss of money, negotiable instruments or goods belonging to the Business resulting from an act of Fraud committed by an Employee, but only if:

- the Employee committed the Fraud and the whole of the loss occurs in Australia; and
- You discover the Fraud during the Period of Insurance or within:
 - 3 months of the date on which Your policy is cancelled; or
 - 6 months of the Employee who committed the Fraud ceasing employment with You

whichever happens first; and

- the Employee has been successfully prosecuted for the Fraud or the evidence provided by You satisfies Us beyond reasonable doubt that the Employee committed the Fraud.

What is not insured

This policy does not insure You against:

- a claim for loss of trade secrets or confidential information; or
- a Fraud:
 - committed by an Employee after:
 - * the date on which Your policy is cancelled; or
 - * You discover any Fraud committed by that Employee,
 - whichever happened first
 - proof of which is wholly or partly dependent upon a profit and loss computation or comparison or a comparison of book inventory with physical count
- any loss directly or indirectly caused by or arising out of:
 - war or other acts of foreign enemy (whether war is declared or not); revolution or other civil disturbances or commotion; or confiscation, nationalisation or requisition of property by any government or local authority;
 - radioactivity or the use, existence or escape of nuclear fuel, material or waste, or the action of nuclear fission

- any loss directly or indirectly caused by or arising out of or in connection with an:
 - Act of Terrorism; or
 - action taken to control, prevent or suppress or attempt to control, prevent or suppress an Act of Terrorism.
- a cost or expense incurred in connection with taking action to control, prevent or suppress or attempt to control, prevent or suppress an Act of Terrorism.

If an event happens in Australia and that event is determined by the Minister responsible for the Commonwealth Terrorism Insurance Act 2003 to be a “*declared terrorist incident*” under that Act, We will not apply this terrorism exclusion unless the Act of Terrorism was directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.

What We pay

We pay the:

- face value of cash
- market value or cost of replacement of a negotiable instrument, whichever is less
- Retail Cost or market value of goods, whichever is less,

at the close of business on the business day immediately preceding the day on which the Fraud is discovered.

We do not pay the cost to reproduce information contained in a manuscript, record, account, microfilm, tape, computer media or other record.

Where a ‘Guarantee Limit’ is shown on the certificate of insurance for a particular Employee, We pay up to that Guarantee Limit for all acts of Fraud committed by that Employee.

Where a ‘Guarantee Limit’ is shown on the certificate of insurance for a number of Employees, We pay up to that Guarantee Limit for all acts of Fraud committed by any one or more of those Employees.

Special conditions

Change in Business procedures

You must give Us written notice immediately if there is any material change in the method of conducting the Business which might:

- increase the risk of Fraud
- reduce the chance of discovery of Fraud.

We have the right to cancel or renegotiate the terms of the policy if there is such a change.

Reinstatement of ‘Guarantee Limit’

If We pay a claim for:

- less than the ‘Guarantee Limit’ shown on the certificate of insurance, We will reinstate the Guarantee Limit to the original amount if You pay the additional premium and accept any additional conditions We require
- the ‘Guarantee Limit’ shown on the certificate of insurance, We do not reinstate it.

If You make a claim on the policy for less than the Guarantee Limit, We suggest You speak to Us about reinstating the Guarantee Limit to the original amount as soon as You make the claim. This is because the amount of the Guarantee Limit is reduced by the amount of any claim and You might lose the benefit of reinstatement if You make a separate claim on the policy before We have paid the first claim.

If You make a claim on the policy for the Guarantee Limit, We suggest You speak to Us about taking out further cover as soon as You make a claim.

Contact Us

NSW (02) 6363 7195

QLD (07) 3721 5100

SA (08) 8373 9200

TAS (03) 6331 5022

VIC (03) 9342 1200

WA (08) 9273 5333

Or call **1300 934 934**
for your local office

www.wfi.com.au

Head Office

184 Railway Parade
Bassendean WA 6054



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General Insurance Limited
ABN 24 000 036 279
AFSL 241461