



MANAGEMENT LIABILITY INSURANCE POLICY

PRODUCT DISCLOSURE SHEET

FEBRUARY 2024

Read this Product Disclosure Sheet before you decide to take out the Management Liability Insurance Policy. Be sure to also read the policy wording for full terms and conditions.

1. What is this product about?

This policy provides financial protection for the directors/officers of your company in the event they are sued for a wrongful act whilst discharging their duties except to the extent that these directors/officers have been indemnified by the company for such loss.

In addition, this policy also reimburses your company for any loss arising from a wrongful act that it has indemnified in respect of that director/officer.

2. What are the cover / benefits provided?

This policy covers the following:

- (a) Management Liability – we will pay to or on behalf of the director/officer for any loss except to the extent that such loss has already been indemnified by the company. We will reimburse the Company for any loss for which it has indemnified an Insured Person.
- (b) Investigation Costs & Regulatory Crisis Events Costs – we will pay the investigation cost of each director/officer arising from an investigation and also the pre-investigation costs arising from a regulatory crisis event.
- (c) Excess Limit Protection – we will pay a separate excess limit on behalf of the Policyholder's directors for any loss.
- (d) Outside Directorship – we will pay on behalf of or reimburse each outside director or the company for the loss incurred by such outside director.
- (e) Bodily Injury & Property Damage Defence Costs – we will pay for defence costs of the directors for any claim arising out of bodily injury and/or property damage.
- (f) Assets and Liberty Costs – we will pay the bail bond, prosecution costs and assets & liberty costs of each director/officer in relation to proceedings brought by governmental / regulatory authorities.
- (g) Public Relation Expenses – we will pay public relations expenses of each director/officer in mitigating the adverse or potential adverse effect on their reputation pursuant to a claim.
- (h) Extradition Costs – we will pay costs of extradition proceedings/related appeal/judicial review applications brought against each director/officer.
- (i) Company Securities – we will pay the company for losses arising from a securities claim.
- (j) Company Employment Practices Breach – we will pay the company for losses arising from a breach of employment practice.
- (k) Initial Offering, Listing or Trading of Securities – we will pay the company for losses arising from a securities claim connected to an initial public or private offering of securities during the policy period.
- (l) Secondary Offering of Securities – we will pay the company for losses arising from a claim connected to a secondary offering of securities in a jurisdiction where it is already traded (other than in the United States of America, Canada or any of their territories or possessions)
- (m) Automatic New Subsidiary – coverage under this policy will also extend to any entity that becomes a subsidiary of the company provided that the entity does not have its securities listed in USA or is not an investment vehicle.
- (n) Discovery period – you are entitled to an automatic 90 day discovery period in the event this policy is not renewed or replaced.
- (o) Lifetime Run Off – we will provide an unlimited discovery period for any director/officer who has resigned or retired in the event the policy is not renewed, replaced or where such renewal or replacement does not cover the directors/officers who have resigned or retired. Please note that this feature does not apply if such director/officer resigns or retires due to a consolidation or merger resulting in the company ceasing to be an independent legal entity or persons who control more than 50% of the voting rights of the company.
- (p) Emergency Costs – we will reimburse the company up to 10% of the limit of liability for defence costs exceeding the agreed retention.
- (q) Environmental Violation Defence Costs – we will reimburse in addition to the aggregate limit of liability, defence costs incurred by an Insured person for an Environmental Violation, up to the total maximum amount set forth in the Schedule.

- (r) Continuous Cover – we will pay the loss resulting from any claim made against the director/officer which should have been notified in the previous policy period provided that the policy has been renewed with us continuously
- (s) Investigation Costs for Derivative Demands – we will pay the investigation costs incurred in response to shareholders demand upon the board of directors
- (t) Global Liberalization – we will pay the claim according to terms and conditions of this policy as amended to include those of the foreign AIG policy that are more favourable to you if the claim is maintained in a foreign jurisdiction or to which the law of foreign jurisdiction is applied
- (u) Tax Liability – we will pay the unpaid personal tax liability of any director/officer as a result of the financial difficulty of the Company
- (v) Blanket DIC – we will pay claim according to the terms and conditions of the previous policy where such loss shall not be covered under AIG policy provided that review of previous policy is conducted by us
- (w) Elective Reinstatement Limit – director/officer is offered with option to reinstate the limit for new claims at additional premium stipulated in the policy schedule
- (x) Management Buyout – existing cover extended to purchased entity for up to 30 days from the date of buy-out.

Note: The scope and precise breadth of policy coverage is subject to the terms, conditions, warranties, limitations, exclusions and exceptions of the policy.

3. What is the premium I have to pay?

The premium is noted on the quotation documents. It is a one-off premium payment for multiple years policy coverage. It is calculated according to various factors, of which the main factors are:

- Nature of Business
- Limit of Liability
- Board of Directors/Management Team's Experience
- Financial Position of the Company
- Capital raising size
- Geographical Spread

4. What are the fees and charges I have to pay?

Type	Amount
Service Tax (with effect from 1 March 2024, when applicable)	8% of Gross Premium
Stamp Duty	RM 10
Commission paid to the insurance agent (when applicable)	Up to maximum 25%

5. What are some of the key terms and conditions that I should be aware of?

Some of the key terms and conditions that you should be aware of are:

- Duty of Disclosure: Pursuant to Paragraph 4(1) of Schedule 9 of the Financial Services Act 2013, if you are applying for this Insurance for a purpose related to your trade, business or profession, you have a duty to disclose any matter that you know to be relevant to our decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant, otherwise it may result in avoidance of your contract of insurance, refusal or reduction of your claim(s), change of terms or termination of your contract of insurance.
The above duty of disclosure shall continue until the time your contract of insurance is entered into, varied or renewed with us.
You also have a duty to tell us immediately if at any time after your contract of insurance has been entered into, varied or renewed with us any of the information given in the Proposal Form (or when you applied for this insurance) is inaccurate or has changed.
- No Admission of Liability: You should not admit liability, offer, promise or pay to claimant without our prior written consent
- Premium Warranty: The premium due must be paid and received by us within 60 days from the inception date of the policy / endorsement/ renewal certificate
- If you fail to pay the premium within the period, your policy will be automatically cancelled and we are entitled to the pro rata premium on the period you have been on risk.

6. What are the major exclusions under this policy?

This policy does not provide coverage for and will not pay any claims or loss resulting from:

- fraudulent, criminal and dishonest conduct
- prior claims and circumstances
- bodily injury and property damage
- US claims brought by or on behalf of the company, director/officer or outside entity to which the director/officer serves as an outside director
- failure to perform professional services or related back office support services
- any wrongful act committed after the effective date of a merger or consolidation of the company or person having control of more than 50% of the voting rights of the company
- any actual or alleged violation of the provisions of the US Employment Retirement Income Security Act of 1974
- any securities claims brought within or maintained within the jurisdiction of the USA
- Sanctions : The insurer will not be liable to provide any coverage or make any payment hereunder if to do so would be in violation of any sanctions law or regulations which would expose the insurer, its parent company or its ultimate controlling entity to any penalty under any sanctions law or regulation.

Note: This list is non-exhaustive; please refer to the policy wording for full terms and conditions.

7. Can I cancel my policy?

This policy may not be cancelled by you.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about this insurance, please contact us at:

AIG Malaysia Insurance Berhad (200701037463)
Level 16, Menara Worldwide
198 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : +603 2118 0188 / 1800 88 8811
Fax : +603 2118 0288
Email : AIGMYCare@aig.com
Web : www.aig.my

10. Other types of similar insurance cover available?

None

IMPORTANT NOTE:

YOU SHOULD SATISFY YOURSELF THAT THE POLICY WILL BEST SERVE YOUR NEEDS. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as of the date shown.