

EXECUTION

17 December 2009

THE COUNCIL FOR PRIVATE EDUCATION

and

HSBC INSURANCE (SINGAPORE) PTE. LIMITED

MASTER INSURANCE AGREEMENT

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THIS AGREEMENT IS DATED 17 DECEMBER 2009 AND MADE BETWEEN:

(1) **The Council for Private Education (“CPE”)**, having its office at 2 Bukit Merah Central #05-00, SPRING Singapore Building, Singapore 159835;

and

(2) **HSBC Insurance (Singapore) Pte. Limited (“the Insurer”)** having its principal place of business at 10 Eunos Road 8 #11-01, Singapore Post Centre, Singapore 408600.

RECITALS:

(A) In order for a private educational institution registered under the Act or any other education institutions as CPE may deem appropriate to gain EduTrust Certification, such institution must participate in a Fee Protection Scheme, which may be in a form of insurance coverage for its Students.

(B) CPE is desirous of appointing the Insurer as one of the appointed insurers to provide such insurance coverage and the Insurer is agreeable to such appointment on the terms and conditions set out in this Agreement.

IT IS AGREED AS FOLLOWS:

1. Interpretation

1.1 In this Agreement and the Recitals, unless the context otherwise requires:

“**Act**” means the Private Education Act 2009.

“**Appointed Insurers**” means the Insurer and Lonpac Insurance Berhad.

“**Business Day**” means Mondays to Fridays, excluding Saturdays, Sundays and gazetted public holidays in Singapore.

“**Certificate**” means the certificate of insurance issued by the Insurer to each Student insured under the relevant Policy and substantially in the form set out in **Schedule 2**, as the same may be amended or supplemented from time to time by the Insurer in its absolute discretion.

“**Course**” means the course of study or training programme offered or provided by the PEI and enrolled by the Student with it as stated on the Certificate.

“**CPE**” means the Council for Private Education created by Part II of the Act.

“**EduTrust Certification**” means the voluntary certification administered by CPE.

“**Extension Term**” means a term of four (4) years or such other period of time as CPE may in its discretion decide for which this Agreement may be extended at the option of CPE commencing one day after the expiry date of the Initial Term.

“Fee Protection Scheme” means the fee protection scheme established and maintained by CPE under Part IV of the Act which a PEI must enter into to be eligible for EduTrust Certification.

“Insurer” means the Party so identified in this Agreement.

“Insurer Group” means HSBC Holdings plc and any legal entity from time to time: (a) in which HSBC Holdings plc (or one or more of its holding or subsidiary companies, or subsequent holding or subsidiary companies of such entity) owns at least fifty percent (50%) or more of the voting shares; or (b) over which HSBC Holdings plc (or one of its holding or subsidiary companies, or a subsequent holding or subsidiary company of such entity) either directly or indirectly exercises management control, even though it may own less than fifty percent (50%) of the shares and is prevented by law from owning a greater shareholding; or (c) the legal entities otherwise notified by HSBC from time to time.

“Initial Term” means the initial term of this Agreement of four (4) years from the date on which this Agreement is executed.

“Insolvency Event” means the making of an order by a Singapore court against the PEI or, if the PEI is a firm, any partner of the PEI or its sole proprietor for the dissolution, liquidation, winding up or bankruptcy of the PEI, any of its partners or its sole proprietor (as the case may be).

“Judgment Sum” means a sum awarded by a court, arbitrator, tribunal or any adjudicator of competent jurisdiction of first instance in Singapore during the Period of Indemnity in favour of the Student and to be paid by a PEI in relation to a dispute between the Student and the PEI directly arising out of or in relation to the Student Fees paid by the Student to the PEI including an order, award, declaration or decision obtained in default.

“Judgment Sum Event” means the notification by a Student to CPE in writing with supporting evidence that the relevant PEI has failed, refused and/or neglected to discharge or satisfy the whole or part of the Judgment Sum within fourteen (14) days after the time in which the PEI is obliged to discharge or satisfy the Judgment Sum and, if no time for discharge or satisfaction is stated therein, within fourteen (14) days of the date of the order, award, declaration or decision giving rise to the Judgment Sum.

“Limit of Indemnity” has the meaning ascribed to it in the Policy.

“Party” means CPE or the Insurer as the context dictates.

“Payout Event” means a Termination Event or a Judgment Sum Event.

“Payout Instruction” means a notice issued by CPE to the Insurer certifying the occurrence of a Payout Event.

“PEI” has the meaning ascribed to the term “private education institution” in the Act.

“Period of Indemnity” means the period specified in a Certificate.

“Policy” means the general terms and conditions of a contract of insurance to be entered into by the Insurer and each PEI substantially in the form set out in **Schedule 1**.

“Regulatory Closure” means:

- i. the permanent cessation, termination or deregistration of the operations and/or the business of the PEI by order of the relevant authority(ies); or
- ii. the permanent cessation or termination by a PEI of its operations and/or business including but not limited to the cessation or termination of all of substantially of its educational programmes (including courses, diplomas and distance learning programmes) offered by it to Students;

“Service Level” means any of the service levels for the Services as specified in **Schedule 3**.

“Services” means the provision of insurance coverage by a registered insurer to PEIs for their respective Students under the Fee Protection Scheme.

“Singapore dollar” and **“S\$”** mean the lawful currency of Singapore.

“Student” means a person who enrolls for a Course with a PEI by applying for and being accepted into that Course and who is eligible for cover under the Fee Protection Scheme.

“Student Fees” means the gross fees payable to the PEI in direct relation to a Course (in terms of its instruction or teaching) by a Student, or a person who intends to become or who has taken any steps towards becoming a Student (referred to as an “intending Student”) or another person who pays the money on behalf of the Student or intending Student but before any commission payable to third parties is deducted and excluding prevailing good and services tax (GST), the application fee for the sole purpose of processing the submitted application for admission to the Course and any non-mandatory ad-hoc miscellaneous fee payable on per need basis to the PEI.

“Termination Event” means an Insolvency Event or a Regulatory Closure.

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

- i. **“CPE”** and **“the Insurer”** shall be construed so as to include their successors in title, permitted assigns and permitted transferees;
- ii. this **“Agreement”** or any other agreement or instrument is a reference to this Agreement or other agreement or instrument as amended, supplemented or novated from time to time by the Parties’ mutual agreement;
- iii. a **“person”** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- iv. words importing the singular shall also include the plural and vice versa;
- v. a provision of law is a reference to that provision as amended or re-enacted from time to time; and
- vi. a time of day is a reference to Singapore time unless otherwise stated.

(b) Section, clause and schedule headings are for ease of reference only.

2. Provision of Insurance Coverage under the Fee Protection Scheme

- 2.1 The Insurer is hereby appointed by CPE to provide the Services upon the terms and conditions of this Agreement.
- 2.2 During the term of this Agreement but subject to clause 6, the Appointed Insurers shall be CPE's exclusive service providers in respect of the Services and CPE shall not appoint or permit any other insurer to provide the Services or services substantially similar to the Services provided under this Agreement.
- 2.3 Subject to clause 2.5, the Insurer shall, in providing the Services:
- (a) enter into contracts of insurance with any PEI participating in the Fee Protection Scheme and whose written application for insurance coverage under the Fee Protection Scheme has been accepted by the Insurer on the terms of the Policy which shall not be substantially amended without CPE's prior written consent; and
 - (b) issue a Certificate to each Student insured under any issued Policy.
- 2.4 The Insurer agrees that CPE shall not be responsible or be held liable for the acts and omissions of the PEI and accordingly agrees not to sue or hold CPE liable for any act and/or omission of the PEI. The Insurer acknowledges that its remedies against a PEI, if any, shall be pursuant to the terms of its contract of insurance with that PEI.
- 2.5 The Insurer may at its absolute discretion and at any time and from time to time:
- (a) appoint any person to act as its agent and/or administrator in connection with its participation in the Fee Protection Scheme;
 - (b) decline to provide insurance cover to any PEI and/or any Student;
 - (c) impose premium loading or other conditions in respect of any Policy without affecting any Certificates already issued and any pricing changes shall apply to Certificates to be issued prospectively only;
 - (d) strictly in accordance with the terms of the Policy, terminate any Policy or the insurance cover under any Policy in respect of a particular Student,

Provided that, subject to clauses 2.3(a) and 7, the Insurer shall not vary the Policy terms, the Period of Indemnity or the Limit of Indemnity in respect of any Student, without CPE's prior written consent and the Insurer shall not terminate any Policy or the insurance cover under any Policy in respect of a particular Student without first consulting with CPE.

3. Service Levels

- 3.1 The Services shall meet the Service Levels and the Insurer shall provide the information and/or documentation required by CPE in accordance with the Service Levels.
- 3.2 Without prejudice to clause 3.1, the Services shall at all times comply with the requirements set out in this Agreement or as may be otherwise specified or agreed by the Parties in writing from time to time.
- 3.3 The Parties acknowledge that actual Service Levels may be varied during the term of this Agreement in response to changes in technology, processing, business requirements or inadequacies in the current measures.

4. Designation of a Payout Event

- 4.1 CPE may, without reference to the Insurer, PEI and/or the Student, issue a Payout Instruction to the Insurer if, in its sole and absolute opinion, a Payout Event has occurred.
- 4.2 The Insurer shall make payment to a Student under the terms of the Policy as issued to the relevant PEI within ten (10) Business Days of receipt by the Insurer of a Payout Instruction issued by CPE to it.
- 4.3 In deciding whether a Payout Event has occurred, CPE shall be entitled to rely upon any order, judgment, decree, certification, demand, notice, or other written instrument delivered to it (whether in relation to a Judgment Sum or Termination Event or otherwise) without being required to determine the authenticity or the correctness of any fact (including signatures) stated therein or the validity of the service of such a document.
- 4.4 For the avoidance of doubt, CPE shall have the sole and absolute discretion to determine based exclusively on any evidence supplied by or on behalf of a Student (without any need for further evidence from anyone or anywhere else) whether or not the relevant PEI has discharged or satisfied the Judgment Sum and CPE shall be entitled to issue the Payout Instruction in reliance of the order, award, declaration or decision giving rise to the Judgment Sum whether or not the PEI intends to or has lodged an appeal against that order, award, declaration or decision.
- 4.5 CPE shall have no responsibility for the contents of any order, award, declaration or decision (whether in relation to a Judgment Sum or Termination Event or otherwise) and may rely without any liability upon the contents of any such order, award, declaration or decision.
- 4.6 The Insurer shall at all times make a payment in accordance with the terms of the Policy with reference to the relevant Payout Instruction but without any reference or further authority from any PEI and/or a Student, without further investigation, inquiry, proof or the relevant PEI's concurrence that a Payout Instruction has been properly or validly issued. The Insurer need not concern itself with the propriety of any Payout Instruction made or purported to be made under or in connection with this Agreement.
- 4.7 In the event that any law, regulation, decree, order, government act, custom, procedure or practice to which the Insurer is subject, or to which a payment under or pursuant to a Policy is subject (including without limitation any written law relating to anti-money laundering or the prevention of terrorism financing), prevents or limits the performance of

the duties and obligations of the Insurer, then until such time as the Insurer is again able to perform such duties and obligations hereunder, such duties and obligations of the Insurer shall be suspended.

- 4.8 The Insurer shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation under or pursuant to this Agreement arising as a direct or indirect result of any reason, cause or contingency beyond its reasonable control, including, but not limited to, natural disasters, nationalisation, currency restrictions, act of war, act of terrorism, act of God, postal or other strikes or industrial actions, or the failure, suspension or disruption of any relevant stock exchange, clearance system or market.

5. Representations

5.1 Each Party represents and warrants to the other that:

- (a) it has the power, has taken all necessary action to allow it, and has all governmental, exchange control or other authorisations required by it, to enter into and perform this Agreement and to permit the payments contemplated by this Agreement;
- (b) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations;
- (c) the entry into and performance by it of, and the transactions contemplated by this Agreement do not and will not conflict with any applicable law, regulation, court order or agreement or its constitutional documents; and
- (d) this Agreement has been duly signed by it or on its behalf.

6. Term and Termination

- 6.1 This Agreement shall commence on the date on which it is executed by the Parties and shall continue in full force and effect until the expiry of the Initial Term, unless otherwise extended or terminated in accordance with this Agreement.
- 6.2 Subject to clause 6.3 and at the option of CPE, this Agreement may be extended subsequent to the Initial Term for the Extension Term.
- 6.3 CPE shall by written notification advise the Insurer no less than six (6) months prior to the expiry of the Initial Term if it seeks to extend this Agreement for the Extension Term pursuant to clause 6.2 of this Agreement.
- 6.4 If the Insurer is in default under this Agreement and that default is capable of being remedied by subsequent performance, CPE may, without prejudice to any right of action or remedy which has accrued or may accrue in favour of either Party, by notice in writing to the Insurer, specify the relevant default and require the Insurer to remedy the default promptly.
- 6.5 CPE may terminate this Agreement at any time by written notice to the Insurer, where:
- (a) the Insurer is in breach of any material or essential term of this Agreement not capable of being remedied or, in the case of a breach capable of being remedied, has failed

within fourteen (14) days after the receipt of a request in writing from CPE to remedy the breach to remedy such breach;

- (b) the Insurer is in breach of any material or essential term of any Policy issued to any PEI not capable of being remedied or, in the case of a breach capable of being remedied, has failed within fourteen (14) days after the receipt of a request in writing from the PEI to remedy the breach to remedy such breach;
 - (c) the Insurer has failed to provide the Services to the reasonable satisfaction of CPE; or
 - (d) an order is made or an effective resolution is passed for the Insurer's winding up (otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), a receiver or administrator is appointed in respect of the whole or any part of the Insurer's undertaking or assets or the Insurer enters into any voluntary arrangement with its creditors or ceases or threatens to cease to carry on business as an insurer.
- 6.6 Without prejudice to clause 6.5, CPE may terminate this Agreement at any time without assigning any reason therefor by providing 6 months' written notice to the Insurer.
- 6.7 The Insurer shall not terminate this Agreement during the Initial Term unless otherwise agreed to by CPE in writing.
- 6.8 The Insurer may terminate this Agreement at any time during an Extension Term by giving 6 months' written notice to CPE.
- 6.9 Where any notice of termination is given under this Agreement, the Party issuing such notice shall ensure that all affected PEIs are also notified no later than 5 Business Days from the date of the notice of termination of its intention to terminate this Agreement.
- 6.10 Notwithstanding the issuance of a notice of termination by either CPE or the Insurer, the Insurer shall, unless CPE otherwise instructs and pursuant to the terms of the relevant Policy, continue to offer insurance coverage to additional eligible Students not covered as at the date of the notice and extend insurance coverage to Students covered under a Certificate current as at the date of the notice, until the effective date of termination of this Agreement.
- 6.11 Notwithstanding the termination of this Agreement, the Insurer shall continue to be liable to Students who are covered under Policies issued as at the effective date of termination of this Agreement, until the coverage identified in the relevant Certificate expires.
- 6.12 Upon termination of this Agreement, the Insurer shall:
- (a) not enter into or renew any Policy with a PEI;
 - (b) cease to extend fresh insurance cover in respect of any Student; and
 - (c) not renew the insurance cover of existing Students covered under a Policy issued by the Insurer to any PEI.
- 6.13 During the period between the date of a notice of termination and termination of this Agreement, the Insurer shall if requested by CPE provide all reasonable and necessary

assistance to CPE in the orderly transfer of the Services, functions and operations provided under this Agreement to another insurer or financial institution as may be designated by CPE (“*Substitute Insurer*”) including without limitation the novation of Policies issued by the Insurer to PEIs to the Substitute Insurer.

7. Variation of this Agreement

- 7.1 The provisions of this Agreement shall not be varied except by agreement in writing signed by CPE and the Insurer.
- 7.2 If any variation is made pursuant to clause 7.1, the Insurer shall, if necessary, make the necessary consequential variation to its Policies (whether issued or to be issued) and shall notify all affected PEIs of such variation.

8. Waivers and Remedies

- 8.1 No waiver by either Party of any provisions of this Agreement will amount to a continuing waiver or a waiver of any other provision of this Agreement unless made in writing and signed by the Party against whom the waiver would have been enforced. No extension of time for the performance of any obligation or act under this Agreement shall be deemed to be an extension of time for the performance of any other obligation or act.
- 8.2 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or equity.

9. Assignment and Novation

Neither Party shall assign, novate and/or transfer any of its benefits and obligations under this Agreement without the prior written consent of the other Party provided that the Insurer may assign, novate and/or transfer any of its benefits and obligations under this Agreement to any member of the Insurer Group which is a registered insurer in Singapore without the prior written consent of CPE and nothing in this clause or in this Agreement shall in any way prohibit or restrict the Insurer from exercising its right to appoint an agent and/or administrator under clause 2.5 of this Agreement.

10. Notices

- 10.1 Any communication by a Party to the other Party may be made by fax, letter or, pursuant to clause 10.4, electronic mail.
- 10.2 The addresses and fax numbers of the Parties are as follows:

CPE	Council for Private Education Ministry of Education 2 Bukit Merah Central #05-00 SPRING Singapore Building Singapore 159835
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Fax No: (65) 6275 1396

Attention: Mr Anthony Goh

The Insurer HSBC Insurance (Singapore) Pte. Limited
10 Eunos Road 8
#11-01 Singapore Post Centre
Singapore 408600

Fax No: (65) 6221 2188

Attention: Mr Terence Tan

or any substitute single address or fax number as a Party may notify the other by not less than 5 Business Days' notice.

10.3 Any communication by a Party to the other Party will be effective:

- (a) if by way of fax, when successfully transmitted; or
- (b) if by way of letter, when it has been left at the relevant address or 2 Business Days after being deposited in the post postage prepaid,

Provided that a communication received on a day which is not a Business Day or after 5 p.m. (Singapore time) on a Business Day shall be deemed to be received on the next Business Day.

10.4 A communication to be made between the Parties under or in connection with this Agreement may be made by electronic mail or other electronic means, if the Parties:

- (a) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
- (b) notify each other in writing of the electronic mail address of their representatives and/or any other information required to enable the sending and receipt of information by that means; and
- (c) notify each other of any change to the aforesaid electronic mail address or any other such information supplied by them.

10.5 Any electronic communication made between the Parties will be effective only when actually received in readable form and only if it is addressed in such as manner as the Parties shall specify for this purpose.

11. Counterparts

This Agreement may be signed in any number of copies or counterparts (and by each Party on separate copies or counterparts), each of which when so signed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

12. Governing Law and Jurisdiction

- 12.1 This Agreement shall be governed by Singapore law.
- 12.2 Subject to clause 12.3, the Parties irrevocably agree that the courts of Singapore shall have exclusive jurisdiction to settle any dispute that may arise out of or in connection with this Agreement. The Parties irrevocably submit to the jurisdiction of the courts of Singapore and waive any objection to proceedings in any such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.
- 12.3 Notwithstanding anything in this Agreement, in the event of any dispute, controversy or claim arising out of or in relation to this Agreement, no Party shall proceed to file a claim in any Singapore court unless it has made reasonable efforts to resolve the same through mediation in accordance with the mediation procedure for the time being in force of the Singapore Mediation Centre.

13. Confidentiality

- 13.1 Each Party hereto agrees not to disclose and to treat as confidential any information or material acquired by it in connection with or in performance of its obligations under this Agreement.
- 13.2 The obligations in this clause do not apply to any information:
- (a) which is within the receiving Party's knowledge prior to disclosure by the disclosing Party;
 - (b) which is in or subsequently enters the public domain otherwise than as a result of breach by the receiving Party of the terms of this Agreement;
 - (c) which is required to be disclosed under any law or regulation or by any government, regulatory or judicial order, directive or request to which the receiving Party is subject.

14. Contracts (Rights of Third Parties) Act Cap 53B

Any person who is not a party to this Agreement shall have no right (whether under the Contracts (Rights of Third Parties) Act (Cap. 53B) or otherwise) to enforce or enjoy the benefit of any provision of this Agreement.

Schedule 1

- Form of Policy –

Fee Protection Scheme Insurance

(EduTrust Certified Private Education Institution)

Important Notice

- This policy is issued to You based on the information You provided Us when You applied for the Insurance. You should note that You must disclose to Us fully and faithfully the facts You know or ought to know that are relevant to Your insurance application. If You had failed to disclose the relevant facts to Us, the Policy issued to You may be void and You may not receive any benefit from it.
- This Policy, inclusive of the Schedule, any Memorandum and Endorsement, is an important document. It explains the Insurance cover We provide You, the rights the Policy gives You, the conditions You are to comply with and situations where We will not pay under the Policy. Please read this Policy carefully and ensure that it meets Your requirements. If the Policy does not meet Your requirements or You find any error in the Policy, kindly return it to Us and contact Us immediately for correction.

DEFINITIONS

Some words and phrases in this Policy have special meanings. These words and phrases have the following meanings wherever they appear in the Policy.

Act	This means the Private Education Act 2009 (No. 21 of 2009)
Authority	Any Singapore governmental authority or agency having regulatory supervision over private education institutions under any written law.
Certificate of Insurance	The certificate issued to each Student evidencing the cover on the Student provided by this Insurance to the PEI.
Course	The course of study or training programme offered or provided by the PEI and enrolled by the Student with it as stated on the Certificate of Insurance.
EduTrust certification	This is the certification of the PEI through its membership of any voluntary accreditation or certification scheme established or maintained by the Authority under Part IV of the Act.
Insolvency Event	This refers to the event whereby an order is made by a Singapore court against the PEI (or, if the PEI is a firm, any partner of the PEI or its sole proprietor) for the dissolution, liquidation, winding up or bankruptcy of the PEI, any of its partners or its sole proprietor (as the case may be).
Judgment Sum	This is a sum awarded by a court, arbitrator, tribunal or any adjudicator of competent jurisdiction of first instance in Singapore during the Period of Indemnity in favour of the Student and to be paid by a PEI in relation to a dispute between the Student and the PEI and directly arising out of or in relation to the Tuition Fee paid by the Student to the PEI including an order, award, declaration or decision obtained in default.
Judgment Sum Event	This is a notification by a Student to the Authority in writing with supporting

evidence that the relevant PEI has failed, refused and/or neglected to discharge or satisfy the whole or part of the Judgment Sum within fourteen (14) days after the time in which the PEI is obliged to discharge or satisfy the Judgment Sum and, if no time for discharge or satisfaction is stated therein, within fourteen (14) days of the date of the order, award, declaration or decision giving rise to the Judgment Sum.

Limit of Indemnity	This is the maximum amount payable under this Insurance in respect of each Student named in the Certificate of Insurance.
Maximum Insurable Limit	This represents the maximum possible aggregation of all Limits of Indemnity which We can (but are not obliged to) issue to Students at any one time. The Maximum Insurable Limit is shown in the Schedule and may be adjusted from time to time by Endorsement.
Payout Event	This means a Termination Event or a Judgment Sum Event.
Payout Instruction	This means a notice issued by the Authority to Us certifying the occurrence of a Payout Event.
PEI	This is a private education institution which, having met the Eligibility requirements in relation to this Policy, has applied for this Insurance and whose application has been accepted by Us in writing.
Period of Insurance	The period commencing from the date shown in the Schedule and as may be extended by Endorsement.
Period of Indemnity	The period bound by the dates shown in the Certificate of Insurance, both dates inclusive.
Regulatory Closure	This refers to: <ul style="list-style-type: none">i. the permanent cessation, termination or deregistration of the operations and/or the business of the PEI by order of the Authority; orii. the permanent cessation or termination by a PEI of its operations and/or business including but not limited to the cessation or termination of all of substantially of its educational programmes (including courses, diplomas and distance learning programmes) offered by it to Students.
Student	The person who has been declared to Us by the PEI and accepted by Us for cover under this Insurance and to whom We issue the Certificate of Insurance and wherein the person is named as the Student.
Termination Event	This refers to an Insolvency Event or Regulatory Closure.
Terms	This refers collectively to the terms, conditions and exclusions contained in or endorsed on this Policy.
Tuition Fee	This means the gross fees payable to the PEI in relation to a Course (in terms of its instruction or teaching) by: <ul style="list-style-type: none">1. a Student, or a person (whether within or outside Singapore) who intends to become or who has taken any steps towards becoming a Student (referred to as an intending Student); or2. another person who pays the money on behalf of the Student or intending Student but before any commission payable to third parties is deducted and excluding prevailing good and services tax (GST), the application fee for the sole purpose of processing the submitted application for admission to the Course and any non-

mandatory ad-hoc miscellaneous fee payable on per need basis to the PEI.

We, Us, Our These mean HSBC Insurance (Singapore) Pte. Limited

You, Your The PEI

YOUR INSURANCE

In consideration of the You paying or agreeing to pay Us the premium set out in the Schedule, We agree to cover You during the Period of Insurance on the Terms subject to the following:

1. This Policy is subject to the Maximum Insurable Limit as stated in the Schedule. Upon each application by You to Us for inclusion of a person to be covered as a Student under this Policy accepted by Us and Our issuance of a Certificate of Insurance in relation to that Student, the Maximum Insurable Limit shall be reduced by the Limit of Indemnity applicable to such an accepted application. The Maximum Insurable Limit after such deduction shall be the amount available for consideration of future new applications for cover under this Policy.
2. We shall have the right at any time and at Our absolute discretion to:
 - a. review the Maximum Insurable Limit; and
 - b. increase or decrease the Maximum Insurable Limit (including reducing the said limit to zero). We are entitled to increase the Maximum Insurable Limit without reference to You. Where We decrease the Maximum Insurable Limit, We shall give You 14 days' prior written notice and the relevant decrease shall have effect after the expiry of such notice.
3. We shall have the right to accept or reject, without having to provide any reason therefor, any application by You for the inclusion of any person to be covered as a Student under this Policy including but not limited to rejecting such an application in the following situations:
 - a. Where the Maximum Insurable Limit stated in the Schedule has been reached or will be exceeded with the acceptance of that application;
 - b. The applicant is not eligible to apply for the cover under this Policy as set out in the *Eligibility* section of this Policy.
4. Each application by You for any person to be covered as a Student under this Policy which is accepted by Us shall be conditional upon Your or any person specified by us executing and maintaining in force a counter-indemnity in Our favour and in a form acceptable to Us indemnifying Us for an amount equivalent to the Maximum Insurable Limit during the Period of Insurance.

SCOPE OF COVER

1. Subject to the Terms of this Policy, We will indemnify a Student up to the Limit of Indemnity for:
 - a. loss of Tuition Fee paid by the Student to the PEI in the event that the Student is unable to commence, continue with or complete the Course due to a Termination Event during the Period of Indemnity. The indemnity provided herein shall be limited to the portion of the paid Tuition Fee deemed un-utilised as at the date of the Termination Event and pro-rated to the time elapsed in respect of that part of the Course as relates to the Tuition Fee paid and to the extent the same is not refunded to the Student; and/or
 - b. such part of a Judgment Sum remaining unpaid by the PEI as at the date of the issuance of a Payout Instruction in respect of a Judgment Sum Event.
2. For the avoidance of doubt, save for the indemnity expressly provided herein, this Policy does not pay for any other indirect or consequential loss, damage, liability, cost and/or expenses whatsoever suffered or incurred by the Student.

EXCLUSIONS

This Insurance does not cover and We do not pay for loss arising from:

1. the failure by the PEI to provide adequate, qualified and/or suitable teachers, teaching resources or any deficiency in the quality of the curriculum, the Course, the qualification awarded or the learning experience of the Student, or the Student's dissatisfaction with the course or with the PEI;
2. the accreditation of the qualification awarded to a Student or the authenticity of certificates issued by the PEI;
3. the termination or withdrawal of any Course for any reason other than due to a Termination Event;
4. the termination, cessation or suspension of the PEI's business for any reason other than due to a Termination Event;
5. the breach by the PEI and/or the Student of their respective obligations or undertakings under any contractual arrangement between the Student and the PEI in relation to the Course, other than by reason of a Termination Event;
6. the failure of the Student to commence, continue or complete the Course for any reason other than due to a Termination Event;
7. any dispute between or involving the PEI and the Student whether arising out of the PEI's refund policy or Tuition Fee upon withdrawal from or termination by the Student of the Course or in relation to the adequacy of any refund arising from any reason other than for the events described in Clause 1b of the Scope of Cover;
8. war, invasion, act of foreign enemy, hostilities or warlike activities (whether war be declared or not), civil war, mutiny, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or military authorities;
9. radioactivity or from the use, existence or escape of any nuclear fuel, material or waste;
10. criminal or illegal act of the PEI.

ELIGIBILITY

The PEI and the Student applying for this Insurance must meet the eligibility criteria set out herein.

The PEI must:

1. be registered or deemed registered as a private education institution under Part III of the Act;
2. have and maintain in force an EduTrust certification; and
3. comply with such other eligibility requirements that We or the Authority may prescribe from time to time.

The Student must:

1. be a fee-paying student who has applied for enrolment in a Course and is accepted by the PEI for the same; and
2. comply with such other eligibility requirements that We or the Authority may prescribe from time to time.

GENERAL CONDITIONS

1. *Due Observance*

Your due observance and fulfillment of the Terms insofar as they relate to anything to be done or complied with by You and truth of statements and declaration shall be a condition precedent to Our liability to make any payment under this Policy.

2. *No Assignment*

This Policy and any right to indemnity under this Policy shall not be transferred or assigned whether in whole or in part by the PEI and/or the Student to any other party.

3. *Cancellation of the Policy*

- a. Subject to the approval of the Authority:
 - (i) You may cancel this Insurance at any time by giving Us no less than thirty (30) days' prior written notice. In return, We will confirm in writing the effective date of cancellation of this Policy.
 - (ii) We may cancel this Insurance by giving You at least thirty (30) days' notice in writing (sent to Your last known address) and stating in the notice the effective date of cancellation.
- b. This Insurance will be automatically cancelled without further notice on the date on which the PEI's EduTrust certification expires or is withdrawn or revoked.

Notwithstanding the termination of this Insurance by cancellation as aforesaid, any Certificate of Insurance issued prior to the termination of this Insurance shall continue to be in force and the cover on the relevant Student named in such Certificate of Insurance shall continue until the expiry of the Period of Indemnity stated in that certificate.

4. *Termination of Cover*

The cover on each Student shall terminate upon the occurrence of any one of the following events:

- a. a Payout Event;
- b. the Student ceases to be a student of the PEI for any reason whatsoever; or
- c. the Student switches to another course of study that differs from the Course regardless as to whether the other course of study is provided by the PEI or any other party.

In the event that cover on the Student is terminated other than upon the occurrence of a Payout Event and provided no claim has been paid or is payable under the Certificate of Insurance, We will return the pro rata unearned portion of the premium We have received in respect of the Certificate of Insurance to which the termination relates.

5. *Premium*

For all covers on the Student accepted by Us and where Certificates of Insurance have been issued, You are obliged to pay Us the premiums arising from such Certificates of Insurance when they fall due. The premium stated in the Certificate of Insurance, including any Goods and Services Tax thereon or other tax, charge or levy chargeable by law and payable by You, will be charged to and debited directly from the bank account designated by You on the twentieth (20th) day of the month or, if the day falls on a Saturday, Sunday or Public Holiday, the next working day immediately following the twentieth (20th) day of the month. In the event that premium is not received by Us within seven (7) days from the relevant premium deduction date, We will inform the Authority of the default in premium payment and We shall have the right to immediately suspend acceptance of any further application of cover on any of Your Students and/or cancel this Insurance in accordance with the *Cancellation of the Policy* provision.

6. *Claim Notification and Co-operation*

- a. We will make payment to a Student within ten (10) Business Days of receipt by Us of a Payout Instruction issued by the Authority to Us.
- b. We shall be entitled to rely upon any order, judgment, decree, certification, demand, notice, or other written instrument delivered to Us (including but not limited to a Payout Instruction) without being required to determine the authenticity or the correctness of any fact (including signatures) stated or validity of the service of such a document. We shall have no responsibility for the contents of any award, order or ruling (whether in relation to a Judgment Sum or Termination Event or otherwise) and may rely without any liability upon the contents of any such award, order or ruling.

- c. We may at all times immediately make a payment in accordance with the terms of any Payout Instruction without any reference or further authority from You and/or a Student, without further investigation or inquiry and without inquiring and without requiring proof or Your concurrence that a Payout Instruction has been properly or validly issued.
- d. In the event of any disagreement between the Authority, You and/or any Student resulting in adverse claims or demands being made in connection with any payment under or pursuant to this Policy, or in the event that We in good faith are in doubt as to what action We should take under or pursuant to this Policy, We shall be entitled to retain any funds We may be required to pay to You and/or a Student until required to release it in accordance with this Policy and/or any Payout Instruction.
- e. In the event that any law, regulation, decree, order, government act, custom, procedure or practice to which We are subject, or to which a payment under or pursuant to this Policy is subject (including without limitation any written law relating to anti-money laundering or the prevention of terrorism financing), prevents or limits the performance by Us of our duties and obligations, then until such time as We are again able to perform such duties and obligations hereunder, such duties and obligations shall be suspended.

7. Contribution

If at the time of any claim, there be any other subsisting insurance or insurances, whether effected by You or any other person, covering the same contingency as is covered under this Policy, We shall not be liable to pay or contribute more than the rateable proportion of such claim.

8. Arbitration

If any difference and/or dispute shall arise as to any amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to an arbitrator to be appointed in accordance with the statutory provisions for the time being in force. Where any difference and/or dispute is by this condition to be referred to arbitration, the making of an award shall be a condition precedent to any right of action against Us. Unless any such action or suit be commenced within six months of the making of an award, We shall not be liable to make any payment in excess of the amount of the award.

9. Legal Proceedings

This Policy shall be construed according to and governed by Singapore law. No action at law or in equity shall be brought to recover any sum under this Policy prior to the expiration of sixty (60) days after written proof of claim has been furnished in accordance with the requirements of this Policy. The parties submit themselves to the exclusive jurisdiction of the Singapore courts for the resolution of any conflict or dispute with regards to this Policy except where the circumstances are governed by the *Arbitration* section in this Policy. No such action shall also be brought after the expiration of one (1) year after the time written proof of claim is required to be furnished.

10. Currency

Premiums and claims payable under this Policy shall be in Singapore dollars.

11. Exclusions of Rights Under the Contracts (Rights of Third Parties) Act

A person who is not a party to this Policy shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any of its terms.

12. *Disclosure of information*

You consent to the use, storage and transfer by Us (whether within or outside Singapore) and/or the exchange of any information provided by You or a Student in relation to a proposal for insurance, Policy or Certificate to or with all such persons as We may consider necessary including but not limited to any member of the HSBC Group for any and all purposes in connection with the proposal, Policy or Certificate.

HSBC Insurance (Singapore) Pte. Limited

10, Eunos Road 8, #11-01 Singapore Post Centre Singapore 408600

Telephone: 6225 6111 Facsimile: 6424 4596

Email: tuitionfeeinsurance@hsbc.com.sg

Company Registration No. 195400150N

Incorporated in Singapore with limited liability

Schedule 2

- Form of Certificate -

**Certificate of Insurance
FEE PROTECTION SCHEME INSURANCE (EDUTRUST)**

Mr/Ms xxxxxxxxxxxx

Certificate No. : xxxxxxxx
PEI Policy No.: xxxxxxxx

IMPORTANT NOTICE

This insurance is provided by HSBC Insurance (Singapore) Pte. Limited. This Certificate of Insurance is a proof of your insurance cover. You must therefore check and ensure that the information shown in this Certificate of Insurance is correct. This Certificate of Insurance does not constitute the complete policy terms and conditions but only the essential details and terms of the insurance. A copy of the policy document is available from the Private Education Institution ("PEI").

Student : xxxxxxxxxxxx

Student Email Address: xxxxxxxxxxxx

PEI: xxxxxxxxxxxx

Course Title : xxxxxxxxxxxx

Course Reference No: xxxxxxxxxxxx

Course Duration: From : dd/mm/yyyy To : dd/mm/yyyy (Both dates inclusive)
(For the duration of Fee Paid)

Period of Indemnity : From : dd/mm/yyyy To : dd/mm/yyyy (Both dates inclusive)

Limit of Indemnity: S\$ xxxxxxxx
(Fee Paid)

Premium: S\$ xxxxxxxx (*Inclusive of GST*)

Insured Events: Please refer to the policy document for full details.

In brief, the benefits under this insurance are payable upon the insolvency or a specified closure of the PEI (regulatory or otherwise) or the PEI's failure to pay you a sum awarded by a specified court or tribunal in a judgment or award in your favour in an action between you and the PEI during the Period of Indemnity in relation to a dispute directly arising out of the tuition fee paid by you.

HSBC Insurance (Singapore) Pte. Limited

Authorised Signatory

Schedule 3

- Service Levels and Reporting-

The Insurer shall perform the Services and provide information in accordance with the requirements and specifications set out in this schedule or such standard as would reasonably be expected of any registered insurer and in accordance with the terms and conditions of the Agreement.

The Insurer shall ensure that it acts independently and impartially and shall endeavour to provide timely services to CPE, the PEI and the Student at all times.

Where any information is required to be provided by the Insurer to CPE, such information must (where possible) be provided in Microsoft Excel worksheet, Database Importable or equivalent readable format, via the Fee Protection Monitoring Application System.

1. Routine Operation of Insurance Coverage

The Insurer is to propose on the enactment of an effective and secured insurance system, under which participating PEIs can procure insurance cover to protect the fees paid to the PEIs by Students under their enrolment. In designing the system, the Insurer is to take into consideration the following requirements:

- a. Processes involved for a PEI to set up an insurance facility, including the amount of time needed to complete the set-up
- b. Identification mechanisms for respective Students, including their personal particulars and details of insurance coverage
- c. Procedures on the various payments to be made by the PEI
- d. Details of transaction and tracking system
- e. Details of documentation
- f. Any other control mechanisms that may be implemented
- g. Any other benefits that may be included for the welfare of the PEI and/or Student

2. Information to be submitted by the Insurer to CPE

- a. Monthly statements

Monthly statements are summary of transactions that had taken place for the entire calendar month for the respective PEI. This summary should be closed by the last day of the month and the statement must be furnished to CPE within 3 Business Days of that day. The statement should contain the following information:

- (i) Total amount of funds insured as of date of statement
 - (ii) Total number of Students insured as of date of statement
 - (iii) Number of new Students insured as of the last day of that calendar month
 - (iv) Total amount of premium default (if any)
 - (v) Deadline for settlement of premium default (if any) – 7 Business Days from date of statement
 - (vi) Amount of payout given (if any)
- b. Regular reports for ongoing checks

The following information should be updated by the Insurer as at the first and fifteenth day of every calendar month. Thereafter, the reports are to be furnished to CPE within 3 Business Days after the relevant date:

- (i) Name of PEI / insurance facility or policy number
- (ii) Name of Student
- (iii) NRIC or Foreign Identification Number of Student
- (iv) Amount of Student Fees protected
- (v) Amount of payout given in S\$ (if any)
- (vi) Date of payout given (if any)

c. Report on PEI(s) with premium defaults

the Insurer is to provide CPE with a report on the PEI(s) with premium default(s), as and when any PEI is identified with such an issue. The report should be concluded as at the first and fifteenth day of every calendar month and furnished to CPE within 3 working days of that day:

- (i) Total amount of premium default (if any)
- (ii) Period of premium default (if any)
- (iii) Details of students affected by default – Name of Student, NRIC / Foreign Identification Number, amount of default
- (iv) Deadline for settlement of premium default (if any) – 7 Business Days from date of statement
- (v) Date of payment of premium default (if any)

d. Information to be maintained by the Insurer and to be furnished to CPE for investigative purposes and on ac-hoc basis

The following information is to be maintained by the Insurer and furnished to CPE within 3 Business Days after written request is given to the Insurer:

- (i) Name of PEI
- (ii) Insurance facility or policy number (if any)
- (iii) Name of Student
- (iv) NRIC or Foreign Identification Number of Student
- (v) Course title
- (vi) Total Student Fees insured for respective Student
- (vii) Insurance coverage period for respective Student
- (viii) Insurance policy number for respective Student (if any)
- (ix) Amount of payout given in S\$ (if any)
- (x) Date of payout given (if any)
- (xi) Details of unsuccessful receipt of payout (if any)

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first above written.

Signed by

Signed by

.....
Name:
Designation:

.....
Name:
Designation:

for and on behalf of the
Council for Private Education

for and on behalf of
HSBC Insurance (Singapore) Pte. Limited

in the presence of:

in the presence of:

.....
Full name
Designation

.....
Full name
Designation