

ABERDEEN GLOBAL INCOME FUND INC
Form 40-17G
November 15, 2007

FINANCIAL INSTITUTIONS BOND

ENDORSEMENT 6

This endorsement, effective from June 11th, 2007 to June 10th, 2008 both days inclusive (“Bond Period”), forms a part of Policy number 048132-006 issued to ABERDEEN GLOBAL INCOME FUND INC.

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

- Item Name of Insured: Aberdeen Global Income Fund Inc.
1.
- Item Address: 800 Scudders Mill Road, Plainsboro, NJ, 08543
2.
- Item Limit: USD1,250,000 aggregate cost and expenses inclusive
3.
- Item Single Loss Limit: USD1,250,000 aggregate cost and expenses inclusive
4.
- Single Loss Deductible: USD10,000 each and every claim
- Item Liability is subject to Attachments: 1, 2, 3, 4, 5, 6, 7 and 8
5.
- Item Termination of Prior Bonds: N/A
6.
- Item Premium: N/A
7.

Section 1.1 Insuring Agreements.

- A) **Fidelity.**
Loss resulting directly from dishonest or fraudulent acts committed by an Employee acting alone or in collusion with others.
Such dishonest or fraudulent acts must be committed by the Employee with the manifest intent:
- a) to cause the Insured to sustain such loss: and
 - b) to obtain financial benefit for the Employee and which in fact result in obtaining such benefit.

As used in this Insuring Agreement, financial benefit does not include any employee benefits earned in the normal course of employment including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions.

- B) **On Premises.**
(1) Loss of Property resulting directly from
- a)

robbery, burglary misplacement, mysterious unexplainable disappearance and damage thereto or destruction thereof, or

b) theft, false pretences, common-law or statutory larceny, committed by a person present in an office or on the premises of the Insured,

while the property is lodged or deposited within offices or premises located anywhere.

(2) Loss of or damage to

a) furnishings, fixtures, supplies or equipment within an office of the Insured covered under this bond resulting directly from larceny or theft in or by burglary or robbery of such office, or attempt thereat, or by vandalism or malicious mischief or

b) such office resulting from larceny or theft in, or by burglary or robbery of such office or attempt thereat, or to the interior of such office by vandalism or malicious mischief,

provided that

i) the Insured is the owner of such furnishings fixtures, supplies, equipment, or office or is liable for such loss or damage, and

ii) the loss is not caused by fire.

C) In Transit.

Loss of Property resulting directly from robbery, common-law or statutory larceny, theft misplacement, mysterious unexplainable disappearance, being lost or made away with and damage thereto or destruction thereof, while the Property in transit anywhere in the custody of

a) a natural person acting as a messenger of the Insured (or another natural person acting as messenger or custodian during an emergency arising from the incapacity of the original messenger), or

b) a Transportation Company and being transported in an armoured motor vehicle, or

c) a Transportation Company and being transported in a conveyance other than an armoured motor vehicle provided that covered Property transported in such manner is limited to the following:

i) records, whether recorded in writing or electronically, and

ii) Certificated Securities issued in registered form and not endorsed, or with restrictive endorsements, and

iii) Negotiable Instruments not payable to bearer or not endorsed or with restrictive endorsements

Coverage under this Insuring Agreement begins immediately upon the receipt of such Property by the natural person or Transportation Company and ends immediately upon delivery to the designated recipient or its agent.

D) Forgery or Alteration.

Loss resulting directly from

1) Forgery or alteration of, on or in any Negotiable Instrument (except an Evidence of Debt), Acceptance, Withdrawal Order, receipt for the withdrawal of Property, Certificate of Deposit or Letter of Credit.

2) transferring, paying or delivering funds or Property or establishing any credit or giving any value on the faith of any written instructions or advices directed to the Insured and authorising or acknowledging the transfer, payment, delivery or receipt of funds or Property, which instructions or advices purport to have been signed or endorsed by any customer or the Insured or by any financial institution but which instructions or advices either bear a signature which is a

Forgery or have been altered without the knowledge and consent of such customer or financial institution. A mechanically reproduced facsimile signature is treated the same as a handwritten signature.

E) Securities.

Loss resulting directly from the Insured having in good faith for its own account or for the account of others:

- (1) acquired, sold or delivered, or given value, extended credit or assumed liability on the faith of any original:
 - (a) Certified Security.
 - (b) Deed, mortgage or other instrument conveying title to or creating or discharging a lien upon real property.
 - (c) Evidence of Debt.
 - (d) Instruction to a Federal Reserve Bank of the United States.

Or
(e) Statement of Uncertified Security of any Federal Reserve Bank of the United States.

Which
(i) bears a signature of any maker, drawer, issuer, endorser, assignor, lessee, transfer agent, registrar, acceptor, surety, guarantor, or of any person signing in any other capacity which is a forgery, or

- (ii) is altered, or,
- (iii) is lost or stolen:

- (2) guaranteed in writing or witnessed any signature upon any transfer, assignment, bill of sale, power of attorney, Guarantee or any items listed in (a) through (e) above:
- (3) acquired, sold or delivered, or given value, extended credit or assumed liability on the faith of any item listed in (a) through (e) above which is counterfeit.

A mechanically reproduced facsimile signature is treated the same as a handwritten signature.

F) Counterfeit Currency.

Loss resulting directly from the receipt by the Insured , in good faith, of any Counterfeit Money of the United States of America, Canada or of any other country in which the Insured maintains a branch office.

Section 1.2 General Agreements

A) Nominees.

Loss sustained by any nominee organised by the Insured for the purpose of handling certain of its business transactions and composed exclusively of its Employees shall, for all the purposes of this bond and whether or not any partner of such nominee is implicated in such loss, be deemed to be loss sustained by the Insured.

B) Additional Officers or Employees – Consolidation, Merger or Purchase of Assets -Notice.

(1) If the Insured shall, while this binder is in force, establish any additional offices, other than by consolidation or merger with, or purchase or acquisition of assets or liabilities of another institution, such offices shall be automatically covered hereunder from the date of such establishment without the requirement of notice to the Underwriter or the payment of additional premium for the remainder of the premium period.

(2) If the Insured shall, while this bond is in force, consolidate or merge with, or purchase or acquire assets or liabilities of another institution, the Insured shall not have such coverage as is afforded under this bond for loss

a) occurring in the offices or premises of such other institution, or

b) caused by an employee or employees of such institution, or

c) arising out of the assets or liabilities acquired by the Insured as a result of such consolidation merger or purchase or acquisition of assets or liabilities unless the Insured shall

i) give the Underwriter written notice of the proposed consolidation, merger or purchase or acquisition of assets or liabilities prior to the proposed effective date of such action and

ii) obtain the written consent of the Underwriter to extend the coverage provided by this bond to such additional offices or premises, Employees and other exposures, and

iii) upon obtaining said consent, pay to the Underwriter such additional premium as may be required.

C) Representation of Insured.

The Insured represents that the information furnished in the application for this bond is complete, true and correct. Such application constitutes part of this bond.

Any misrepresentation, omission, concealment or incorrect statement of a material fact, in the application or otherwise, shall be grounds for the rescission of this bond.

D) Joint Insured.

If two or more Insureds are covered under this bond, the first named Insured shall act for all Insureds. Payment by the Underwriter to the first named Insured of loss sustained by any Insured shall fully release the Underwriter on account of such loss. If the first named Insured ceases to be covered under this bond, the Insured next named shall thereafter be considered as the first named Insured. Knowledge possessed or discovery made by any Insured shall constitute knowledge or discovery by all Insureds for all purposes of this bond. The liability of the Underwriter for loss which the Underwriter would have been liable had all such loss or losses been sustained by one Insured will not exceed the total limit contained in Item 3 of the schedule page.

E) Notice of Legal Proceedings Against Insured – Election to Defend.

The Insured shall notify the Underwriter at the earliest practicable moment, not to exceed 30 days after notice thereof, of any legal proceeding brought to determine the Insured's liability for any loss, claim or damage which, if established, would constitute a collectible loss under this bond. Concurrently, the Insured shall furnish copies of all pleadings and pertinent papers to the Underwriter.

The Underwriter, at its sole option, may elect to conduct the defense of such legal proceeding, in whole or in part. The defense by the Underwriter shall be in the Insured's name through attorneys selected by the Underwriter. The Insured shall provide all reasonable information and assistance required by the Underwriter for such defense.

If the Underwriter elects to defend the Insured, in whole or in part, any judgment against the Insured on those counts or causes of action which the Underwriter defended on behalf of the Insured or any settlement in which the Underwriter participates and all attorneys' fees, costs and expenses incurred by the Underwriter in the defense of the litigation shall be a loss covered by this bond. If the Insured does not give the notices required in subsection (a) of Section 5 of this bond and in the first paragraph of this General Agreement, neither a judgment against the Insured, nor a settlement of any legal proceeding by the Insured, shall determine the existence, extent or amount of coverage under this bond for loss sustained by the Insured, and the Underwriter shall not be liable for any attorneys' fees, costs and expenses incurred by the Insured unless the policy otherwise provides for coverage of such fees, costs and expenses.

With respect to this General Agreement, subsection (b) of Section 5 of this bond apply upon the entry of such judgment or the occurrence of such settlement instead of upon discovery of loss. In addition, the Insured must notify the Underwriter within 30 days after such judgment is entered against it or after the Insured settles such legal proceeding, and, subject to subsection (e) of Section 5, the Insured may not bring legal proceedings for the recovery of such loss after the expiration of 24 months from the date of such final judgment or settlement.

Section 1.3 Definitions

As used in this bond:

- A) Acceptance means a draft, which the drawee has, by signature written thereon, engaged to honour as presented.
 - B) Certificate of Deposit means an acknowledgment in writing by a financial institution of receipt of Money with an engagement to repay it.
 - C) Certificated Security means a share, participation or other interest in property or an enterprise of the issuer or an obligation of the issuer, which is:
 - i) represented by an instrument issued in bearer or registered form;
 - ii) of a type commonly dealt in on securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and
 - iii) either one of a class or series or by its terms divisible into a class or series of shares, participations, interests or obligations.
 - D) Counterfeit means an imitation of an actual valid original, which is intended to deceive and to be taken as the original.
 - E) Employee means
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- i) a natural person in the service of the Insured at any of the Insured's offices or premises covered hereunder whom the Insured compensates directly by salary or commissions and whom the Insured has the right to direct and control while performing services for the Insured;
- ii) an attorney retained by the Insured and an employee of such attorney while either is performing legal services for the Insured;
- iii) a person provided by an employment contractor to perform employee duties for the Insured under the Insured's supervision at any of the Insured's offices or premises covered hereunder; and a guest student pursuing studies or duties in any of said offices or premises;
- iv) an employee of an institution merged or consolidated with the Insured prior to the effective date of this bond;
- v) each natural person, partnership or corporation authorized by the Insured to perform services as data processor of checks or other accounting records of the Insured (not including preparation or modification of computer software or programs), herein called Processor. (Each such Processor, and the partners, officers and employees of such Processor shall, collectively, be deemed to be one Employee for all the purposes of this bond, excepting, however, the second paragraph of Section 12. A Federal Reserve Bank or clearing house shall not be construed to be a processor; and

F) Evidence of Debt means an instrument, including a Negotiable Instrument, executed by a customer of the Insured and held by the Insured which in the regular course of business is treated as evidencing the customer's debt to the Insured.

G) Forgery means the signing of the name of another person or organization with intent to deceive; it does not mean a signature, which consists in whole, or in part of one's own name signed with or without authority, in any capacity, for any purpose.

H) Guarantee means a written undertaking obligating the signer to pay the debt of another to the Insured or its assignee or to a financial institution from which the Insured has purchased participation in the debt if the debt is not paid in accordance with its terms;

I) Instruction means a written order to the issuer of an Uncertificated Security requesting that the transfer, pledge or release from pledge of the Uncertificated Security specified be registered;

J) Letter of Credit means an engagement in writing by a bank or other person made at the request of a customer that the bank or other person will honour drafts or other demands for payment upon compliance with the conditions specified in the Letter of Credit.

K) Money means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

L) Negotiable Instrument means any writing
i) signed by the maker or drawer; and
ii) containing any unconditional promise or order to pay a sum certain in Money and no other promise, order, obligation or power given by the maker or drawer; and
iii) is payable on demand or at a definite time; and
iv) is payable to order or bearer.

M) Property means Money, Certificated Securities, Uncertificated Securities of any Federal Reserve Bank of the United States, Negotiable Instruments, Certificates of Deposit, documents

of title, Acceptances, Evidences of Debt, security agreements, Withdrawal Orders, certificates of origin or title, Letters of Credit, insurance policies, abstracts of title, deeds and mortgages on real estate, revenue and other stamps, tokens, unsold state lottery tickets, books of account and other records whether recorded in writing or electronically, gems, jewellery, precious metals of all kinds and in any form, and tangible items of personal property which are not hereinbefore enumerated.

N) Statement of Uncertificated Security means a written statement of the issuer of an Uncertificated Security containing;

- i) a description of the issue of which the Uncertificated Security is a part;
- ii) The number of shares or units: transferred to the registered owner; pledged by the registered owner to the registered pledgee; released from pledge by the registered pledgee; registered in the name of the registered owner on the date of the statements; or subject to pledge on the date of the statement;
- iii) the name and address of the registered owner and registered pledgee;
- iv) a notation of any liens and restrictions of the issuer and any adverse claims to which the Uncertificated Security is or may be subject or a statement that there are none of those liens, restrictions or adverse claims; and
- v) the date the transfer of the shares or units to the new registered owner of the shares or units was registered, the pledge of the registered pledgee was registered or of the statement, if it is a periodic or annual statement.

O) Transportation Company means any organization, which provides its own or leased vehicles for transportation or which provides freight forwarding or air express services.

P) Uncertificated Security means a share, participation or other interest in property of or an enterprise of the issuer or an obligation of the issuer, which is:

- i) not represented by an instrument and the transfer of which is registered upon books maintained for that purpose by or on behalf of the issuer:
- ii) of a type commonly dealt in on securities exchanges or markets and
- iii) each one of a class or series or by its terms divisible into a class or series of shares, participations, interests or obligations.

Q) Withdrawal Order means a non-negotiable instrument, other than an Instruction, signed by a customer of the Insured authorizing the Insured to debit the customer's account in the amount of funds stated therein.

Conditions and Limitations

Section 2. Exclusions. This bond does not cover:

- A) loss resulting directly or indirectly from forgery or alteration, except when covered under Insuring Agreement (A), (D) or (E);
 - B) loss due to riot or civil commotion outside the United States of America and Canada; or loss due to military, naval or usurped power, war or insurrection unless such loss occurs in transit in the circumstances recited in Insuring Agreement (C), and unless, when such transit was initiated there was no knowledge of such riot, civil commotion, military, naval or usurped power, war or insurrection on the part of any person acting for the Insured in initiating such transit;
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- C) loss resulting directly or indirectly from the effects of nuclear fission or fusion or radioactivity; provided, however, that this paragraph shall not apply to loss resulting from industrial uses of nuclear energy;
 - D) loss resulting from any act or acts of any person who is a member of the Board of Directors of the Insured or a member of any equivalent body by whatsoever name known unless such person is also an Employee or an elected official of the Insured in some other capacity, nor, in any event, loss resulting from the act or acts of any person while acting in the capacity of a member of such Board or equivalent body;
 - E) loss resulting directly or indirectly from the complete or partial non-payment of, or default upon, any loan or transaction involving the Insured as a lender or borrower, or extension of credit, including the purchase, discounting or other acquisition of false or genuine accounts, invoices, notes, agreements or Evidences of Debt, whether such loan, transaction or extension was procured in good faith or through trick, artifice, fraud or false pretences; except when covered under Insuring Agreements (A), (D) or (E);
 - F) loss resulting from any violation by the Insured or by any Employee
 - 1) of any law regulating (i) the issuance, purchase or sale of securities (ii) securities transactions upon security exchanges or over the counter market, (iii) investment companies, or
 - 2) of any rule or regulation made pursuant to any such law, unless it is established by the Insured that the act or acts which caused the said loss involved fraudulent or dishonest conduct which would have caused a loss to the Insured in a similar amount in the absence of such laws, rules or regulations:
 - G) loss resulting directly or indirectly from the failure of a financial or depository institution, or its receiver or liquidator, to pay or deliver, on demand of the Insured, funds or Property of the Insured held by it in any capacity, except when covered under Insuring Agreements (A) or (B)(1)(a);
 - H) loss caused by an Employee, except when covered under Insuring Agreement (A) or when covered under Insuring Agreement (B) or (C) and resulting directly from misplacement, mysterious unexplainable disappearance or destruction of or damage to the Property;
 - I) loss resulting directly or indirectly from transactions in a customer's account, whether authorized or unauthorized, except the unlawful withdrawal and conversion of Money, securities or precious metals, directly from a customer's account by an Employee provided such unlawful withdrawal and conversion is covered under Insuring Agreement (A).
 - J) damages resulting from any civil, criminal or other legal proceeding in which the Insured is alleged to have engaged in racketeering activity except when the Insured establishes that the act or acts giving rise to such damages were committed by an Employee under circumstances which result directly in a loss to the Insured covered by Insuring Agreement (A). For the purposes of this exclusion "racketeering activity" is defined in 18 United States Code 1961 et seq., as amended.
 - K) Loss resulting directly or indirectly from the use or purported use of credit, debit, charge, access, convenience, identification, cash management or other cards
 - 1) in obtaining credit or funds, or
 - 2) in gaining access to automated mechanical devices which, on behalf of the Insured, disburse Money, accept deposits, cash checks, drafts or similar written instruments or make credit card loans, or
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- 3) in gaining access to point of sale terminals; customer-bank communication terminals, or similar electronic terminals of electronic funds transfer systems, whether such cards were issued, or purport to have been issued, by the Insured or by anyone other than the Insured, except when covered under Insuring Agreement (A);
- L) loss involving automated mechanical devices, which, on behalf of the Insured, disburse Money, accept deposits, cash checks, drafts or similar written instruments or make credit card loans, except when covered under Insuring Agreement (A).
- M) loss through the surrender of property away from an office of the Insured as a result of a threat
- 1) to do bodily harm to any person, except loss of property in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat, or
- 2) to do damage in the premises of property of the Insured, except when covered under Insuring Agreement (A)
- N) loss resulting directly or indirectly from payments made or withdrawals from a depositor's or customer's account involving erroneous credits to such account, unless such payments or withdrawals are physically received by such depositor or customer or representative of such depositor or customer who is within the office of the Insured at the time of such payment or withdrawal, or except when covered under Insuring Agreement (A):
- O) loss involving items of deposit, which are not finally paid for any reason, including but not limited to Forgery or any other fraud, except when covered under Insuring Agreement (A):
- P) loss resulting directly or indirectly from counterfeiting, except when covered under Insuring Agreements (A), (E) or (F):
- Q) loss of any tangible item of personal property which is not specifically enumerated in the paragraph defining Property if such property is specifically covered by other insurance of any kind and in any amount obtained by the Insured,
- R) Loss of property while
- 1) in the mail, or
- 2) in the custody of any Transportation Company, unless covered under Insuring Agreement (C),
- S) Potential income, including but not limited to interest and dividends, not received by the Insured or by any customer of the Insured:
- T) damages of any type for which the Insured is legally liable, except compensatory damages, but not multiples thereof, arising directly from a loss covered under this bond:
- U) all fees, costs and expenses incurred by the Insured
- 1) in establishing the existence of or amount of loss covered under this bond, or
- 2) as a party to any legal proceeding whether or not such legal proceeding exposes the Insured to loss covered by this bond:
- V) indirect or consequential loss of any nature:
- W) loss involving any Uncertified Security except an Uncertified Security of any Federal Reserve Bank of the United States or when covered under Insuring Agreement (A):
- X) loss resulting directly or indirectly from any dishonest or fraudulent act or acts committed by any non-employee who is a securities, commodities, money, mortgage,
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real estate, loan, insurance, property management, investment banking broker, agent or other representative of the same general character:

Y) loss resulting directly or indirectly from any actual or alleged representing advice, warranty or guarantee as to the performance of any investments:

Z) loss due to liability imposed upon the Insured as a result of the unlawful disclosure of non-public material information by the Insured or any Employee, or as a result of any Employee acting upon such information, whether authorized or unauthorized.