

**FINANCIAL INSTITUTIONS PROFESSIONAL INDEMNITY POLICY
PROPOSAL FORM**

- A. Answer all questions, leaving no blank spaces.
- B. If you have insufficient space to complete any of your answers, continue on your headed paper.
- C. This form must be dated and is to be signed by two Directors of the Proposer.
- D. Please attach the last Annual Statement and Report and any Interim Report issued since.
- E. It is the intention of Underwriters that any contract of insurance with the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer. If a quotation is offered, it will be the intention of Underwriters to offer coverage only in respect of those entities named in answer to question 1.

SECTION A - PARTICULARS OF PROPOSER

State the name and address of the Proposer, the date of establishment and the financial services provided. Also list all subsidiaries for which cover is requested, indicating the locations, date of establishment and financial services provided by each company.

Proposer:	
Address:	
Date Established:	
Description of Financial Services Provided:	

Name of Subsidiary	Location(s)	Date Established	Financial Services



2. (a) Has the Proposer been acquired by another entity, merged or acquired any other business during the last 5 years? If so, give details:			
(b) Has the Proposer provided any new services to its clients during the last 3 years? If so, give details:			
(c) Does the Proposer intend to offer any new services to its clients during the next 12 months? If so, give details:			
3. State at the dates indicated:	Currently or at date of last interim report:	At last year's end:	At previous year's end:
(i) Authorised Capital:			
(ii) Paid up Capital:			
(iii) Total Assets:			
(iv) Total Deposits:			
(v) Total Loans and Discounts:			
(vi) Total funds under Discretionary Management:			
(vii) Total Profit before tax:			
4. State names of all Executive and non-Executive Directors, their length of service, specific responsibilities and professional qualifications:			
Name:	Length of Service:	Specific Responsibilities:	Professional Qualifications:
5. (a) State the number of Employees in the following categories:			
(i) at Head Office			
(ii) at Computer Centre			
(iii) at Branches			
(iv) at Subsidiaries			
Total:			
(b) What has been the percentage turnover in the following employment categories during the last twelve months?			
	Inward	Outward	
Directors (including those of subsidiaries)	%	%	
Employees	%	%	
(c) State the total of salaries, including commissions, paid to Directors and Employees during the last financial year:			

(d) Are any Directors or Employees compensated by bonus, profit commission, or similar performance-related reward which is based upon their own performance or that of their department/division/subsidiary (as distinguished from the Proposer as a whole)?
If so, state in which departments/divisions/subsidiaries:

SECTION B - PROPOSER'S ACTIVITIES		
6. In the last financial year, what approximate percentage of the Proposer's total revenues were derived from the following activities?		
	%	
(a) Commercial Loans:	Domestic	
	Foreign	
Interbank Loans:	Domestic	
	Foreign	
Personal Loans:		
(b) Leasing:		
(c) Trade Financing, Forfaiting		
(d) Barter, Countertrade or Swap Operations		
(e) Foreign Exchange Dealings		
(f) Commodity Market Dealings		
(g) Securities Dealings		
(h) Mergers and Acquisitions Advice		
(i) Share Placing and New Issues		
(j) Fund Management		
(k) Venture Capital		
(l) Overseas Advisory		
(m) Any Other Activity (Please Describe).		
Attach an organisational chart showing responsibilities and reporting lines to the Board of Directors for each activity.		

7. (a) List each takeover or merger situation in which the Proposer acted on behalf of clients in the last twelve months, indicating by asterisk, on behalf of whom the Proposer was acting, and the values involved.			
Offeror	Offeree	Outcome	Offer Value
		Total:	
(b) How many flotations has the Proposer undertaken in the last twelve months? List each, indicating the share capital involved.			
Company	Shares Placed	Value	
		Total:	
(c) How many rights issues has the Proposer undertaken in the last twelve months? List each, indicating the share capital involved.			
Company	Shares Placed	Value	
		Total:	
8. Does the Proposer undertake trust activities or discretionary account management? If so:			
(a) Are all clients' agreements reviewed annually?			
(b) Are all trust/discretionary transactions subject to the same procedures and review as the Proposer's own account transactions?			
If not, please describe:			
(c) State:			
(i) The number of trust/discretionary accounts.			
(ii) The asset value of the largest managed account.			
(d) How often are financial reports rendered to clients?			
(e) Does the Proposer have an "approved" list of securities which can be recommended to clients?			

SECTION C - FUNDS TRANSFER/TELEPHONIC INSTRUCTIONS

9. (a) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems? List each one:
(b) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow direct access by clients to the Proposer's database? List each one:
(c) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow clients to directly execute a transfer of funds? List each one, indicating whether transfer can be made on a pre-format or free-format basis:

10. Does the Proposer permit the initiation of Funds Transfer by telephonic instruction from clients? If so:	
(a) Do all clients to whom this facility is available complete written agreements outlining legal responsibilities, transfer limits and callback parameters for verification? If so, attach a copy.	
(b) What are the callback parameters for verification?	
(c) Are all such instructions directed only to the Wire Transfer Room?	
(d) Are all conversations, including these instructions, recorded?	
(e) Is a written document produced in respect of each instruction, which is date/time stamped, logged and maintained for at least 90 days?	
11. Describe the procedures adopted when instructions are received by telephone:	
(a) Within the Commodity Department:	
(b) Concerning the purchase/sale of stock:	
(c) Within the Foreign Exchange Department:	

SECTION D - PROCEDURES	
12. To which regulatory authorities are the Proposer and those subsidiaries listed in the answer to question 1, accountable?	
13. (a) State the name and address of Chartered or External Accountants:	
(b) State the frequency of auditing services performed by the Accountants for the Proposer:	
(c) Does the Auditing Firm regularly review the system of internal controls and furnish written reports?	
(d) Has the Auditing Firm made any recommendations in the last two audits? If so, state recommendations and confirm that they have been adopted. If not adopted, please give reasons for not doing so.	

(e) Has the Auditing Firm been changed in the last five years? If so, give details and explain why the change was made.
Attach a copy of the most recent engagement letter from the Proposer's principal Auditing Firm.
14. (a) State the name and address of Lawyers routinely acting for the Proposer.
(b) Do the Lawyers supply written opinions as to the legality of any change in investment or management policy in connection with Trusteeship activities?
(c) Does the Proposer have an in-house Legal Department? If so, how many legally qualified individuals does it consist of? What are the department's responsibilities?
Does it offer its services to customers or other Third Parties? If so, please give details.
(d) Does the Proposer use a standard form of contract, agreement or letter of appointment with regard to services performed?
Are these regularly reviewed, and if so, by whom?
(e) Are all publications issued by the Proposer reviewed by the in-house Legal Department and/or outside legal advisers?
15. (a) Does the Proposer have a Compliance Officer?
(b) If so, state his/her duties and to whom (s)he reports.
(c) Attach his/her curriculum vitae.
16. (a) Does the Proposer have a written code of ethics encompassing all employees, which includes a statement of the principles of acceptable conduct, and with guidelines for acceptable outside activities, conflicts of interest, gifts from customers, and prohibition on other employment?
(b) Are employees required to agree in writing that they have read the ethics code and are abiding by said code?
(c) Do you require all Directors and Employees to declare their outside business interests and specify relationships which could lead to possible conflicts of interest?

SECTION E - PARTICULARS OF COVERAGE	
17. State details of similar insurances carried out during the previous five years, if any:	
(a) Professional Indemnity:	
(i) Insurers	
(ii) Sum insured	
(iii) Deductible	
(b) Directors & Officers:	
(i) Insurers	
(ii) Sum insured	
(iii) Deductible	
(c) Bankers Blanket Bond/Fidelity/In and Out Policy:	
(i) Insurers	
(ii) Sum insured	
(iii) Deductible	
18. State the Limit of Indemnity requested:	
19. During the last five years, has the Proposer received any admonishment or critical directive from any regulatory authority? If so, give details.	
20. Is the Proposer currently involved in any litigation as a defendant? If so, give details.	
21. (a) Has any application made by the Proposer or its predecessors in business for Professional Indemnity Insurance ever been declined? If so, give details.	
(b) Has any Professional Indemnity Policy in the name of the Proposer or its predecessors in business ever been cancelled? If so, state the reasons.	

22. Has the Proposer any knowledge or information, after full enquiry, of any circumstances whatsoever which might give rise to claims being made against it, its subsidiaries or any branches to which this application applies?
23. Has any demand or claim of a type being the subject of this insurance been made against the Proposer, its subsidiaries or any branches to which this application applies during the past five years?

WE HEREBY DECLARE THAT the above statements and particulars are true and complete to the best of our knowledge and that we have not suppressed or misstated any material facts, and we agree that this application shall be the basis of any contract * subsequently effected between the Proposer and the Underwriters.

Date _____

Signature _____ Director _____

Date _____

Signature _____ Director _____

- 1) *Signing this Proposal Form does not bind the Proposer to complete this insurance.
- 2) If a policy is concluded, it will be issued on a "CLAIMS MADE" basis, i.e. to indemnify the Proposer for claims first made against it in the manner described in the policy during the Policy Period.

