

## Keeping our eyes on your business

### INVESTMENT MANAGERS

PLEASE ENCLOSE WITH THIS PROPOSAL FORM:

- A. The last audited Annual Report and Accounts for the Policyholder and Funds to be covered by our Certificate;**
- B. Copy of your standard investment management contract;**
- C. Any Prospectus or similar documents and all financial statements published in the last 12 months for the Funds to be covered by our Certificate of insurance;**
- D. A corporate structure chart for the entities to be covered by our Certificate of insurance.**

Your DUAL Investment Management Certificate will be issued on a CLAIMS MADE basis.

When completing this proposal form:

- **Please answer all questions giving full and complete answers. It is the duty of the Proposer to provide all information that is requested in the proposal form as well as to add additional relevant facts. A relevant fact is such known fact, circumstance or situation that may influence the evaluation of the risk by the insurer. If you have any doubts about what a relevant fact is, please do not hesitate to contact your broker.**
- **The proposal form must be completed, signed and dated by a person, who must be of legal capacity and authorised for the purpose of requesting Investment Management Insurance for the entity acting as Proposer.**
- **Please note that the person completing this proposal is doing so on behalf of all insureds intended to be covered by our Certificate of insurance.**
- **Please remember to complete the schedules at the rear of this proposal form setting out the relevant details of the Proposer's subsidiary companies, Funds and Portfolio Companies intended to be covered by our Certificate of insurance.**
- **If the space in the schedules or in any part of this Proposal Form is not sufficient please complete the details on a separate signed and dated sheet.**

**This proposal form does NOT BIND the Proposer to take out the insurance but together with any additional information provided by the Proposer will form part of any Certificate of insurance that is subsequently taken out with us.**

**SECTION I: DETAILS OF THE PROPOSER**

1. Name of the Policyholder:

2. Address of Head Office including website:

Post Code:

3. Country of Registration:

4. Date of Incorporation

5. What are the operations of the Company? If the Company has multi-operations please provide a percentage split on a separate Schedule. Please identify the Company's Website

6. Type of Company, if Public please specify which exchange they are listed on?

7. Please identify the Policyholder's or any Subsidiary's regulatory body.

8. When did the Policyholder or relevant subsidiary last receive a visit from the Regulator and are there any outstanding issues from that or prior visits? If yes, please provide details including timeframe for completion.

9. Has the "Know Your Customer" policy been accepted by the Regulator, including employees training, monitoring and audit?

Yes  No 

10. As regards the Company please state:

a. Total number of Shareholders:

b. Please provide the name and ownership percentage of any shareholding owing more than 15% of the issued shares of the Company.

11. During the last three years has:

- a. Name of the Company Changed? Yes  No
- b. Any acquisition or merger involving the Company taken place? Yes  No
- c. Any subsidiary company been sold or ceased trading? Yes  No
- d. The capital structure of the Company changed? Yes  No
- e. Any rights issue taken place? Yes  No
- f. The Company changed its external auditors or legal advisors? Yes  No

If the answer is YES to any of the above questions, please provide details below:

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## SECTION 2 INSURANCE DETAILS

1. Please complete the details for any of the following types of insurance that the Company has currently in force: Yes  No

If the answer is YES, please state:

|                                | Insurer | Expiry date | Limit | Deductible |
|--------------------------------|---------|-------------|-------|------------|
| Directors & Officers Liability |         |             |       |            |
| Professional Indemnity         |         |             |       |            |
| Crime / Fidelity Guarantee     |         |             |       |            |

2. Please specify the amounts of indemnity and deductible required if different from above:

Indemnity

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Deductible:

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3. Has the Company ever had any Insurer decline a proposal or cancel or refuse any Directors & Officers, Professional Indemnity or Crime/Fidelity Guarantee insurance (including any non-payment of premium due)? Yes  No

If the answer is YES, please provide details below:

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**SECTION 3: ACTIVITIES**

1. Please confirm the number of Trusts/Funds/Segregated Accounts managed/administered.

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2. Please provide details of the total funds under management, largest fund and total fee income of the Company and any relevant subsidiaries.

|                              | Current year | Last year |
|------------------------------|--------------|-----------|
| Total Funds under Management |              |           |
| Asset value of Largest Fund  |              |           |
| Total Fee Income             |              |           |
| Average Fee/Commission       |              |           |
| Largest Fee/Commission       |              |           |

3. Please provide the percentage split of Funds under Management and fees for investments in the areas identified below.

|                         | Funds under Management | Fees |
|-------------------------|------------------------|------|
| UK                      |                        |      |
| Europe                  |                        |      |
| Far East and Asia       |                        |      |
| North America           |                        |      |
| South America           |                        |      |
| Australia               |                        |      |
| Other (please identify) |                        |      |

4. Please provide the percentage split of the investment strategy for the Funds under Management.

|                           |  |
|---------------------------|--|
| Listed Equity             |  |
| Unlisted Equity           |  |
| Debt                      |  |
| Real Estate/ Property     |  |
| Commodities               |  |
| Derivatives – hedging     |  |
| Derivatives – speculative |  |
| Other (please specify)    |  |

5. How often are financial statements/investors reports rendered to clients?
6. Are all client agreements reviewed annually? Yes  No
7. Has any Fund for which cover is required
- a. Received redemption requests amounting to more than 20% of the total value of the Fund? Yes  No
- b. Imposed a suspension of redemptions? Yes  No
- c. Had a drop in the Net Asset Value during any given 12 months exceeding 50% of its original Net asset Value? Yes  No
- d. Been restructured or is likely to be liquidated or restructured over the next 12 months? Yes  No
8. Does the Company or any relevant subsidiary provide services as a fund manager/administrator for a fund or vehicle whose underlying assets include sub-prime debt? Yes  No
9. Do you provide Net Asset Valuations on the funds administered/managed? Yes  No
- If so, are these independently verified? Yes  No
10. Have any loan covenants been breached, lines of credit withdrawn or any credit facility materially altered? Yes  No
- If the answer is YES, please provide details below:
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11. Does the Proposer or any subsidiary act as an Investment Advisor in North America and/or is it/they registered with the SEC under the Investment Advisors Act of 1990? Yes  No
- What is the percentage of the total fees that are received from North American clients/Investors?

#### SECTION 4 OUTSIDE DIRECTORSHIPS

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- I. In how many unrelated companies or other entities do the directors or employees of the Company and subsidiaries act as:
- a. Director?
- b. Company Secretary?
- c. Trustee?
- d. Other (please specify below)?

2. In respect of entities for which the Proposer provides directors, please provide the territorial split of the domiciles of such entities:

- a. Own Jurisdiction
  - b. USA/Canada
  - c. Rest of the world
- Please confirm how many of these positions are on listed entities

3. For what proportion of such entities do you take (for Corporate Service Providers/Trust Administrators only)

- a. All of the positions?
- b. A majority of the positions
- c. A minority of the positions?

4. Please describe under what circumstance you would agree to sit on an outside board that falls under the category described in 3 b. & c

**SECTION 5 CONTROLS**

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- |   | 2009                         | 2008                        |
|---|------------------------------|-----------------------------|
| 1. Please state the number of:  |                              |                             |
| a. Directors and Officers:  | .....                        | .....                       |
| b. Compliance and Internal Audit Staff:   | .....                        | .....                       |
| c. Professional staff:  | .....                        | .....                       |
| d. Support Staff:   | .....                        | .....                       |
| e. Total Number of Directors / Employees:   | .....                        | .....                       |
| 2. Is there a central corporate communications policy in place and is the attention of all employees drawn to it?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3.. Are full employee references taken out for all employees without exception?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Are duties of each employee arranged so that no one employee is permitted to control any transaction from commencement to completion?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. Is there an internal audit team that perform independent checks in the controls and procedures in place in each entity intended to be covered by our Certificate of insurance? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

- 6 Have all material recommendations made by internal/external auditors in the last five years been implemented? If not, please provide details.

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7. Do lawyers (either internal or external ) review the prospectus for each Fund? Yes  No
- 8 Is the responsibility for investment decisions segregated from the accounting, back-office and custodial responsibilities? Yes  No
- 9 Are wages/salaries independently checked against personnel records for unusual or excessive payments? Yes  No
- 10 Are the following duties segregated so that no individual can control them from commencement to completion without referral to others?
- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Signing cheques or authorising payments above £10,000 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Issuing fund transfer instructions                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Amending funds transfer procedures                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
11. Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds or to issue funds transfer instructions? Yes  No
- 12 Does the Proposer have set procedures in place to ensure:
- |   |                              |                             |
|---|------------------------------|-----------------------------|
| a. any unauthorised or trading errors are identified, monitored and where necessary rectified?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b. any breaches of pre-agreed investment restrictions are recognised and rectified?                           | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c. a formalised due diligence process is followed when assessing any given investment or investment strategy? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d. regulatory requirements, provisions, rules, principles and codes are adhered to by all relevant employees? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
- 13 Are unique passwords used to give various levels of entry to the computer depending on the users authorisation and/or authority level? Yes  No
- 14 Are passwords automatically withdrawn when people leave? Yes  No
- 15 Are all amendments to in-house programmes approved independently of the person making the amendments? Yes  No
- 16 Are in-house programmes protected to detect unauthorised changes? Yes  No
- 17 Is your computer system protected by virus detection and repair software? Yes  No

**SECTION 6: CLAIMS INFORMATION**

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1. Has any entity or individual intended to be covered by our Certificate of insurance suffered a loss or had a claim made against them of a type that might be covered by our Certificate of Insurance within the last 5 years? If yes, please provide details.

2. In respect of any such loss or claim, please provide details of the steps taken to prevent a recurrence.

3. Has any entity or individual intended to be covered by our Certificate of insurance been the subject of a regulatory investigation or disciplinary proceedings in the last 5 years? If yes, please provide details.

4. Has any entity or individual intended to be covered by our Certificate of insurance been the subject of a criminal prosecution in the last 5 years? If yes, please provide details.

5. After full enquiry, is any entity or individual intended to be covered by our Certificate of insurance aware of any fact, circumstance of situation that may reasonably be expected to give rise to a claim against them in the future? If yes, please provide details.

*Do not forget to sign the Declaration on the next page*

**SECTION 6: DECLARATION**

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**SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE**

We declare that the statement and particulars in this Proposal form are true and that no material facts have been misstated or suppressed after enquiry. We agree that should any of the information given by us alter between the date of this Proposal and the inception date of the insurance to which this proposal relates, we will give immediate notice thereof. We agree that this Proposal, together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

**TO BE SIGNED BY A PERSON AUTHORISED BY THE BOARD ONLY**

|                  |  |             |  |
|------------------|--|-------------|--|
| <b>SIGNATURE</b> |  | <b>DATE</b> |  |
|------------------|--|-------------|--|

|             |  |
|-------------|--|
| <b>NAME</b> |  |
|-------------|--|

|                 |  |
|-----------------|--|
| <b>POSITION</b> |  |
|-----------------|--|

DUAL Corporate Risks Ltd recommends that you keep a record of all information supplied for the purpose of entering into an insurance contract (including copies of this Proposal Form and correspondence)







