

Liberty International Underwriters

Investment Managers Insurance Proposal Form



Liberty
International
Underwriters™
Member of Liberty Mutual Group

Important Notice

Claims Made Insurance

This is a proposal for a 'Claims Made' policy of insurance. This means that the policy covers you for any claims made against you and notified to the insurer during the policy period. The policy does not provide cover in relation to:

- acts, errors or omissions that occurred prior to the retroactive date (if one is specified) in the policy;
- any claim made, threatened or intimated against you prior to the commencement of the policy period;
- any claim or fact that might give rise to a claim, reported or which can be reported to an insurer under any insurance policy entered into before the commencement of the policy period;
- any claim or fact that might give rise to a claim, noted in this proposal or any previous proposal;
- any claim arising out of any fact you are aware of before the commencement of the policy period;
- any claim made against you after the expiry of the policy period.

However, where you become aware, and notify us in writing as soon as is reasonably practicable after first becoming aware but within the policy period, of any facts which might give rise to a claim against you, any claim which does arise out of such facts shall be deemed to have been made during the policy period, notwithstanding that the claim was made against you after the expiry of the policy period.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the insurer.

Non Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Investment Managers Insurance

7. During the last 3 years, has there been:

- | | | |
|---|------------------------------|-----------------------------|
| (a) Any acquisition or merger involving the Proposer? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) Any change in capital structure of the Proposer? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (c) Any change in the name of the Proposer? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If "Yes", please provide details by separate attachment

8. Is the Proposer licensed by any regulatory authority?

Yes No

If "Yes", please list the regulatory authority

9. Is the Proposer:

- | | | |
|---|------------------------------|-----------------------------|
| (a) A Private Company? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) A Public Company? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (c) Listed on the Hong Kong Stock Exchange? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (d) Listed on any foreign Stock Exchange? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If the answer to (d) is "Yes", please provide details

- | | | |
|--|------------------------------|-----------------------------|
| (e) Is the Proposer traded in any other way? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
|--|------------------------------|-----------------------------|

If "Yes", please provide details

10. Please list the total number of shares issued

11. Please list the total number of shareholders

12. Please list the total number of shares owned directly or beneficially by directors or officers of the Proposer

Investment Managers Insurance

13. Are there any shareholders who own 10% or more of the issued shares? Yes No

If "Yes", please list these shareholders and their percentage held

_____	%
_____	%
_____	%
_____	%
_____	%

14. Does the Proposer require cover for any Outside Directorships? Yes No

If "Yes", please complete **Schedule A** attached to this proposal

15. Does the Proposer have any assets or employees in the USA or Canada? Yes No

If "Yes", please provide details

Details of Fee Income

16. Please state:

- (a) Fee income from ***Professional Services** for the current financial year _____
- (b) Any other income for the current financial year _____
- (c) Income Forecast for next financial year from:
- (i) **Professional Services** _____
- (ii) Other _____

***Professional Services** means any of the following:

- financial, economic or investment advisory services;
- investment management services;
- fund management services;
- services provided in the capacity of a trustee,

relating to investments in connection with any fund, trust, pooled investment vehicle, collective investment scheme or investment mandate for which cover is sought.

Particulars of Funds

17. Please complete **Schedule B** attached to this proposal for all funds, trusts, pooled investment vehicles, collective investment schemes or investment mandates or the like, for which the Proposer seeks to insure their investment management activity.

18. Do any investors own (directly or indirectly) greater than 10% of the total fund assets of any one fund, trust, pooled investment vehicle, collective investment scheme or investment mandate or the like? Yes No

If "Yes", please list the investors and their percentage ownership and the relevant fund, trust, pooled investment vehicle, collective investment scheme or investment mandate or the like.

Investor	Fund	%
		%
		%
		%
		%
		%
		%
		%

19. Have any awards been accredited to any fund in the past 5 years? Yes No

If "Yes", please provide details

20. Does any fund, trust, pooled investment vehicle, collective investment scheme or investment mandate or the like have investors domiciled in the USA or Canada? Yes No

If "Yes", please list the entity and the percentage held by these investors

Entity Name	%
	%
	%
	%
	%

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21. Have there been any changes or alterations to the investment mandate of any fund, trust, pooled investment vehicle, or collective investment scheme or the like during the last 3 years? Yes No

If "Yes", please provide details

Details of Risk Management, Compliance & Audit Functions

22. Is legal counsel an in-house function? Yes No

If "No", which firm(s) provides this service?

23. Are all publications, marketing materials or other product / service communications reviewed by legal counsel prior to their release to third parties? Yes No

If "No", please provide details as to how this risk is managed

24. Does the Proposer have an internal audit department? Yes No

If "Yes", is there an established audit cycle? Yes No

25. Does the Proposer have an internal compliance officer? Yes No

26. Does the Proposer have a compliance committee with a majority of external members? Yes No

If "Yes", please provide details about the members of the compliance committee and attach copies of their respective curriculum vitae.

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27. Describe the procedures and checks in place to avoid any breach of investment mandate(s).

28. Who audits:

(a) The Fund

(b) The Fund Manager

(c) The Compliance Plans

Have all recommendations of these auditors been implemented?

Yes

No

If "No", please provide an explanation

29. Does the Proposer engage sub-contractors to provide any professional services?

Yes

No

If "Yes", please specify which professional service is sub-contracted

If "Yes", are the liabilities of the sub-contractor capped under the contract?

Yes

No

If "Yes", to what amount are they capped?

Details of Internal Controls

30. Are custodian services outsourced? Yes No

If "Yes", please advise who acts as the custodian

31. Are the duties of each employee arranged so that no one employee is permitted to control any transactions from commencement to completion? Yes No

32. Does the Proposer have dual control for the following:

(a) Signing cheques / authorising payments of any nature above US\$20,000 Yes No

(b) Issuing / amending funds transfer instructions Yes No

(c) Opening new bank accounts Yes No

33. Are bank statements independently reconciled by persons not authorised to deposit or withdraw funds or to issue funds transfer instructions? Yes No

34. Are new employees subject to a credit and / or background check prior to hiring? Yes No

35. Are all employees required to take 2 weeks uninterrupted leave annually? Yes No

36. Please advise the average value of funds transfers _____

37. Please advise the maximum value of any one fund transfer _____

38. Please advise the security measures in place for funds transfers such as call-back or other authentication procedures

39. Are systems in place to detect unauthorised changes to transactions or unusual transactions? Yes No

Electronic Security

40. Are all computer passwords withdrawn when people cease employment? Yes No

41. Are all amendments to software programs approved independently of the person making the amendment? Yes No

42. Does the Proposer have a full disaster recovery plan? Yes No

If "Yes", how frequently is this tested?

43. Has the disaster recovery plan been reviewed and approved by the regulatory authorities or external auditors? Yes No

44. Have systems been stress tested? Yes No

If "Yes", please advise

(a) How frequently? _____

(b) Is stress testing carried out after all significant changes to systems? Yes No

45. Is system penetration testing carried out on all systems? Yes No

If "Yes", please advise

(a) How frequently the system is tested?

(b) Are the tests performed by internal or external specialists? _____

If "External", who provides this service?

(c) Is system penetration testing carried out after all significant changes to the systems? Yes No

(d) Are all recommendations by specialists implemented? Yes No

If "No", please provide explanation

Claims History

Please note that Questions 46 to 48 relate to all parties seeking cover under this insurance policy and enquiries should be made of all those parties prior to answering these questions.

46. Has any Partner/Principal/Director of the Proposer ever been subject to any disciplinary proceedings? Yes No

If "Yes", please provide details

47. Has there ever been, or is there now pending any claim under any similar insurance policy to this now proposed, against any entity or individual seeking coverage under this insurance policy? Yes No

If "Yes", please provide details

48. Is any entity or individual seeking coverage under this insurance policy aware of any facts which might give rise to a claim which may be covered under this insurance policy. Yes No

If "Yes", please provide details

Insurance History

49. Has any insurer ever refused to provide terms or offer renewal terms to the Proposer or has any insurance held by the Proposer ever been avoided or cancelled by any insurer? Yes No

If "Yes", please provide details

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50. Does the Proposer currently hold any similar insurance? Yes No

If "Yes", please advise the following:

Insurer

Expiry Date

Sum Insured

Excess

51. Please advise the details of similar insurances carried during the previous 3 years, if any, for:

Professional Indemnity

Directors' & Officers' Liability

Crime / Fidelity

Limit of Liability

52. Limit of Liability sought:

a)

b)

c)

53. Excess sought:

a)

b)

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55. Please provide a percentage breakdown of revenue:

Hong Kong	%
United States of America / Canada	%
Other (Asia)	%
Other	%

56. Please advise the number of staff in the following categories:

Principals, Partners or Directors	_____
Fund or Investment Managers / Advisors	_____
Clerical / Administration Staff	_____
Other Staff (please specify)	_____
Total	_____

Additional Information Required

Please ensure the following additional documents are provided with this proposal:

- Information Memorandum, Prospectus, Private Placement Memorandum or Product Disclosure Statements for all funds, trusts, pooled investment vehicles, collective investment schemes, investment mandates or the like for which the Proposer seeks to insure their Professional Services.
- A sample Compliance Plan.
- Latest Annual Report of the Fund Manager, including audited financial statements.
- Copy of Trust Deed.
- Business Plan if the Proposer is a start-up operation.
- Annual report for each fund, trust, pooled investment vehicle, collective investment scheme, investment mandate or the like.
- Any quarterly update of the fund performance.
- CV's of any key personnel.
- CV's of compliance committee members.



Declaration

We, the undersigned understand, declare and acknowledge:

that we understand that we are to disclose in this form, fully and faithfully, all the facts that we know or ought to know, otherwise the Policy issued hereunder may be void and we may receive nothing from the Policy;

that we are, after enquiry, authorised by all person(s) or entities seeking insurance, to make this proposal;

that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, we are obliged to inform Liberty International Underwriters of any changes to any information supplied or of any new information that is relevant;

that we understand Liberty International Underwriters relies on the accuracy of the information and documentation supplied proposing for this insurance;

that if a Contract is entered into, all information and documentation supplied in proposing for this insurance shall be incorporated into and form part of such Contract of Insurance;

that we have read and understood the Important Notice which forms part of this proposal;

that we understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty International Underwriters, if any.

To be signed by the Chairperson and an Executive Officer of the Company

Signed _____

Print Name _____

Title Chairperson _____

Dated _____

Signed _____

Print Name _____

Title Executive Officer _____

Dated _____

Liberty International Underwriters is a trading name of Liberty Mutual Insurance Europe Limited, a company incorporated in the United Kingdom.

