



PROPOSAL FORM

FOR INVESTMENT MANAGEMENT INSURANCE



IMPORTANT NOTICE TO THE PROPOSER ON COMPLETION OF THIS PROPOSAL FORM

1. DISCLOSURE

Any 'material change' must be disclosed to Insurers..

A 'material change' is any information which may alter the judgement of an Insurer or their perception of risk and exposure that has not previously been disclosed as a material fact.

Failure to provide all 'material facts' and/or notify all "material changes' may cause the contract of insurance to be void and may result in Insurers repudiating liability entirely.

2. PRESENTATION

This Proposal Form must be completed and signed in ink by an authorised individual, a partner, principal or director of the Proposer.

All questions must be answered. If not applicable, state N/A.

If there is insufficient space to provide answers, additional information should be provided on the Proposer's letter headed paper.

Where available, brochures, standard contract conditions, conditions, agreements and letters of appointment should be provided.

Failure to present Insurers with information in an appropriate manner may adversely influence the ability or willingness of Insurers to offer terms.

3. GUIDANCE

If in doubt as to the meaning of any question contained within this proposal form or the issues raised in Disclosure and/or Presentation, advice should be sought from your contact at Lion Underwriting.

Additional information should be provided on separate sheets clearly identifiable as forming part of the proposal form on company letterhead.

GENERAL DETAILS

1. (a) Name of Fund Manager to be insured:

(b) Do you hold a registration pursuant to A New Tax System (Goods and Services Tax) Act 1999? Yes No

If "YES", what is the registration number?

(c) Do you or any other entity insured under the policy intend to claim an input tax credit for the premium of the policy? Yes No

If "YES", to what extent is an input tax credit being claimed by any and which insureds?

(d) Do you hold a Dunn & Bradstreet Number? Yes No

If "YES", what is the Dunn & Bradstreet number?

2. Contact Name:

Contacts Email Address:

3. Address:

4. Website:

5. (a) How long has the Fund Manager continually carries on business?

(b) Briefly describe the business activities of the Fund Manager:

6. Has there been during the past three years or is there now proposed:

(a) Any change in the name of the Fund Manager? Yes No

(b) Any acquisition or merger involving the Fund Manager? Yes No

(c) Any subsidiary company sold or ceased trading? Yes No

(d) Any change in the capital structure of the Fund Manager? Yes No

If "YES", to any of the above, please give details:

7. Is the Fund Manager:

- (a) Listed on the Australian Stock Exchange? Yes No
- (b) Listed on any foreign stock exchanges? Yes No
- (c) Listed on any unlisted securities market or exempt stock exchange? Yes No
- (d) Traded in any other way? Yes No

If the answer to (b), (c) or (d) is "YES", please give details:

8. In respect of the Fund Manager, please list:

- (a) Total number of shareholders:
- (b) Total number of shares issued:
- (c) Total number of shares held by Directors and Officers (both direct & beneficially):
- (d) All holdings representing 10% or more of the Fund Manager's ordinary share capital:

9. Is the Fund Manager authorised under any government Act or statutory directive to conduct Managed Investment activities in Australia or elsewhere?

Yes No

If "YES", with what authority:

10. Does the Fund Manager have a separate Compliance Committee set up?

Yes No

If "YES", please give details of the committee members:

11. Is coverage desired for any other entity or agent, for whom the Fund Manager would be legally responsible?

Yes No

If "YES", please state the entity and describe its functions/activities and its relationship to the Fund Manager:

12. Has the Fund Manager any of the following types of insurance currently in force:

- (a) Directors and Officers Liability? Yes No
- (b) Professional Indemnity? Yes No
- (c) Crime / Fidelity Guarantee? Yes No

If the answer is "YES", please attach full details including the percentage of total Fund assets under management.

13. Has the Fund Manager ever had any Insurer decline a proposal, imposed special terms, cancelled or refused to renew any of the policies of the type detailed in 12 above? Yes No

If "YES", please give details:

14. Do any of the Directors or Officers of the Fund Manager hold (at the specific request of the Fund Manager) any executive positions on unrelated entities? Yes No

If "YES", please give details:

DETAILS OF MANAGED INVESTMENTS

Please attach copies of the following to this Proposal Form:

- Latest audited annual report of the Fund Manager
- Copy of any brochures or a sample contract offer to clients
- Prospectus and audited report for each of the Funds
- Copy of the Compliance Plan of each Fund

15. Please complete the attached "Schedule of Funds".

16. (a) Does the Fund Manager recommend/manage investments in "speciality areas" other than commonly traded securities? Yes No

Please note that for the purpose of this question, "speciality areas" means commodity futures, real estate developments, options, private placements, unregistered securities, direct placements, oils and gas joint ventures, foreign securities, limited partnerships of any type).

(b) If the answer to the above is "YES", please attach full details including the percentage of total Fund assets under management.

17. Please state the following:

(a) Annual fees for Managed Investment activities:

(b) Any other income (please specify):

18. Does the Fund Manager act as an Investment Advisor in the USA or Canada or are they registered with the SEC under the Investment Advisors Act of 1940 or any similar legislation in the USA or Canada? Yes No

If "YES", please give details:

19. Does the Fund Manager have procedures for decisions and executions when a portfolio manager is not available? Yes No

If **“YES”**, please briefly outline those procedures:

- 20.** Describe how the Fund Manager protects itself from the liabilities of a previous investment adviser or fund manager which it succeeds:

- 21.** Have there been any changes or modifications in the investment restrictions or limitations of any of the Funds during the last 2 years? Yes No

If **“YES”**, please give full details:

- 22.** Have there been any changes in the administrative operations or investment policies of any Fund during the last 2 years? Yes No

If **“YES”**, please give full details:

- 23.** Please state the firm that audits:

(a) The Fund(s):

(b) The Compliance Plan(s):

(c) The Fund Manager:

- 24.** Have all the criticisms/recommendations from the last review of the auditors outlined in 24 above been corrected/implemented? Yes No

If **“NO”**, please detail why:

- 25.** (a) Does the Fund Manager have an internal audit department? Yes No
(b) Does this department have an established audit cycle for all operation? Yes No

26. Please state the number of employees of the Fund Manager:

- 27.** When the Fund Manager recruits or promotes employees to positions of trust, do you:
- (a) undertake independent checks of their employment history? Yes No
(b) undergo a process to ensure their suitability for the position? Yes No

- 28.** Are wages/salaries independently checked against personnel records for unusual or excessive payments? Yes No

29. Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others:

- (a) signing cheques or authorising payments above \$10,000? Yes No
- (b) issuing funds transfer instructions? Yes No
- (c) amending funds transfer procedures? Yes No
- (d) opening new bank accounts? Yes No
- (e) custody of securities and valuables? Yes No
- (f) refund of monies or return of goods above \$10,000? Yes No
- (g) disbursement of assets of any superannuation scheme? Yes No

30. Is all supporting documentation validated before authorising payments? Yes No

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

32. (a) Are agents and other service providers vetted for competency, financial stability and honesty before being approved? Yes No

(b) Are agents required to hold and maintain their own Professional Indemnity Insurance? Yes No

If "YES", please specify minimum limits and conditions:

33. Are all agents and other service providers appointed under a written contract? Yes No

34. (a) Are unique passwords used to give various levels of entry to the computer depending on the users authorisation and/or authority level? Yes No

(b) Are passwords automatically withdrawn when people leave? Yes No

(c) Are all amendments to programs approved independently of the persons making the amendments? Yes No

(d) Are programs protected to detect unauthorised changes? Yes No

(e) Is your computer system protected by virus detection and repair software? Yes No

35. With respect to answers to the following questions, "funds transfers" means any instruction (other than cheques) given to a Financial Institution to pay or deliver funds.

(a) What is the approximate annual value of funds transfer?

(b) Please specify the method of instruction (eg. written, electronic, telephone etc):

(c) Is the Financial Institution required to authenticate the instruction before payment is released? Yes No

(d) Please provide a brief description of the methods used to secure funds transfers (eg. passwords, encryption, code, words etc)

CLAIMS HISTORY

36. (a) Has the Fund Manager or any of it's Directors, Officers or employees been involved in or have they knowledge of any fact or circumstances involving any civil or criminal actions or administrative proceedings with any violation of any laws regulating competition, fair trade laws, securities laws or regulations, copyright laws or patent laws which may give rise to a claim under the proposed policy? Yes No

(b) Has the Fund Manager or any of it's Directors, Officers or employees been involved in or have they knowledge of any fact or circumstances involving any representative actions, class actions or derivative suits which may give rise to a claim under the proposed policy? Yes No

(c) Does the Fund Manager or any of it's Directors, Officers or employees been involved in or have they any knowledge of any other fact or circumstance which might give rise to a Claim under this proposed policy? Yes No

(d) Has any Claim been brought against the Fund Manager or any of it's Director, Officers or employees? Yes No

If "YES" to any of the above, please give details:

It is agreed that if such knowledge exists, any Claim arising from such fact or circumstances will not be covered by this policy.

COVERAGE

37. Amount of indemnity required: 1 Million 2 Million 5 Million 10 Million
 Other - Please state:

38. Do you require cover for Employment Practices Liability? Yes No

If "YES", please complete the supplementary questionnaire.

39. Does the Fund Manager have any assets, Funds or other business activities in the USA or Canada? Yes No

If "YES", please complete the supplementary questionnaire.

STAMP DUTY SPLIT

40. For the purpose of calculating Stamp Duty please confirm the number of employees as follows:

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Overseas
<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

Signing This Proposal Does Not Bind The Proposer Or The Insurer To Complete This Insurance

DECLARATION

By signing this proposal form you consent Lion Underwriting Pty Ltd using the information we may hold about you for the purpose of providing insurance advice and, where appropriate, assistance in relation to handling claims, if any, and to process sensitive personal data about you where this is necessary (for example criminal convictions). This may mean we have to give some details to third parties involved in providing insurance cover. These third parties may include insurance carriers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies and regulatory authorities. In the course of performing our obligation to you, this information may be disclosed to agents and service providers appointed by us, Insurers, (including their re-insurers, legal advisers, loss adjustors or agents). Where such sensitive personal information relates to anyone other than you, you must obtain the explicit consent of the person to whom the information relates both to the disclosure of such information to us and its use by us as set out above. The information provided will be treated in confidence and, where relevant, in compliance with the Data Protection Act 1998. You have the right to apply for a copy of your information (for which we may charge a small fee) and to have any inaccuracies corrected.

I/We declare that the above statements and particulars are true, full enquiry having been made, and I/We have not omitted, suppressed or mis-stated any material facts which may be relevant to the Insurer's consideration of this proposal form and undertake to inform the Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been agreed. I/We understand that the information I/We provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided.

I/We understand that if my/our business acquires, merges with or absorbs another business during the period of insurance, the insurer will require similar information in relation to that business and may charge an additional premium.

Print name:	
Signature:	
On behalf of:	
Date:	

Please note, if you wish to submit your form via email, an indication of terms and conditions may be provided on the basis of this proposal form. An original signature is required before a contract of insurance can be made. Encrypted signatures are not acceptable.

Signing this form does not bind the Proposer to complete the insurance. We recommend that you should keep a record of all information supplied to us, including copies of letters and this proposal form, for the purpose of entering into this contract.

Schedule of Funds

Fund Name	Date Established/ Registered?	Asset Size 1		Nature of Fund Assets 2	Listed / Unlisted	Discretionary / Non- discretionary Management	No. of Fund Members	Details of members holding greater than 10% of the total Fund Assets
		This Year	Last Year					

Note 1 Please provide the market value of the Funds' assets. Please note if the Funds assets are shown at values other than market value, a separate sheet outlining the reasons and methods for this valuation is required

Note 2 For example: Cash, Fixed Interest, Equities, Derivatives, Mortgages, Direct Property, Primary Production, Film Schemes, Time-Sharing Schemes etc