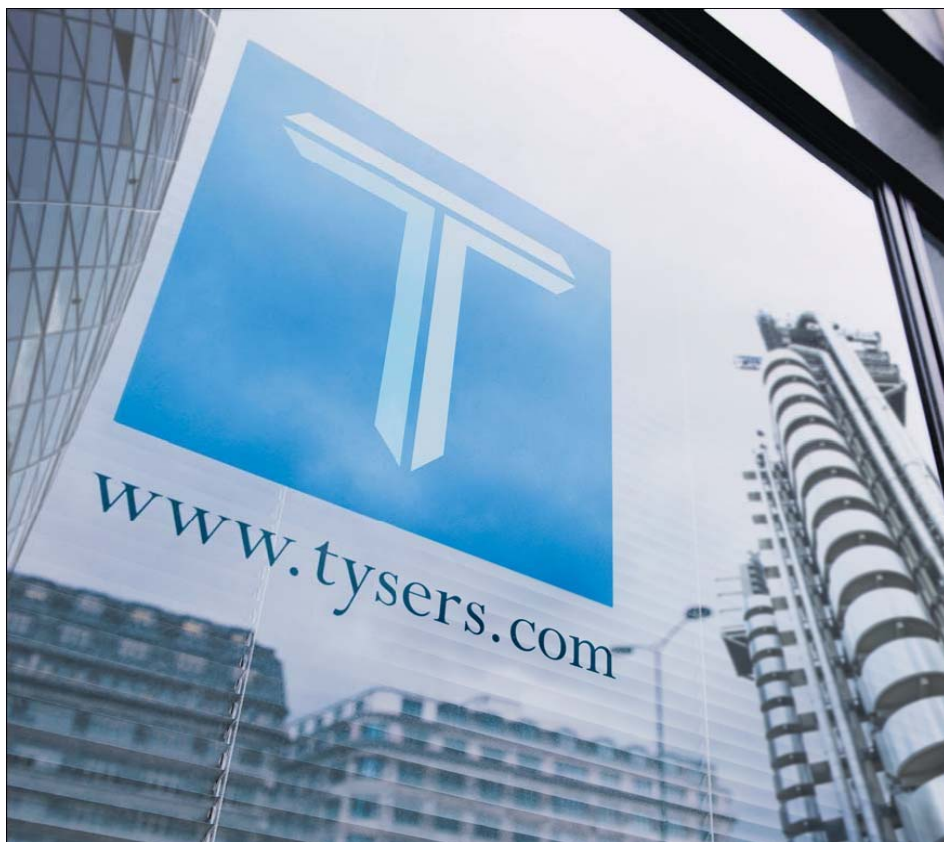




TYSERS

Proposal Form
for
Commercial Crime Insurance

Since 1820



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Authorised & Regulated by the Financial Services Authority Ref. No. 308648

Information:

This is a proposal form for a policy relating to losses discovered by the Insured during the period of the policy only – i.e. Losses Discovered is the date the Insured first has knowledge of any event which could reasonably be foreseen to give rise to a loss covered by this policy.

Please answer all the questions giving full and complete answers. If you have insufficient space to complete any of your answers, please continue on your headed paper. This form must be signed and dated by a Director, Partner or Principal or identified Officer of the Proposer.

The proposal form must be completed and signed and dated by a person who must be of legal capacity and authorised for the purpose of requesting Crime Insurance for the firm who acts as a Proposer.

This form does not bind the Proposer but will form part of the Insurance contract if taken up.

Should you wish to discuss any questions on the proposal form please do not hesitate in contacting us, we do understand that some of the questions may not be self explanatory.

Duty to disclose material facts

Since an insurance/reinsurance contract is based upon the duty of utmost good faith, it is important that those seeking insurance/reinsurance should provide full disclosure of all material facts to insurers and that this information should be kept updated. The courts will find a fact to be 'material' where it would affect the judgment of a prudent insurer as to whether or not to accept the risk at the particular terms offered.

The practical advice, which we give to clients or producers, is this; if you are in doubt we recommend that you advise the information to insurers. Please note that a renewal is based on the information, which has already been provided to insurers. Therefore if there is a change in such information which has not yet been advised, this must now be advised to insurers.

Please supply the following additional information:

- T** The last audited Annual Report & Accounts for the Company



Details of the Proposer

1. Name of the Proposer:

Note: The cover proposed for automatically includes all subsidiaries (and associated companies in which you have retained management control), worldwide, and the answers given in this proposal form should reflect this.

2. Address of Head Office:

3. Country of Incorporation:

4. Nature of Operations:

5. Please list each region you operate in and show in the appropriate column:

Region	Annual Turnover	Number of Locations	Total Number of Employees
UK			
Europe			
US & Canada			
Other			

6. Current Market Value of all Pension and Employee Benefit Plans

£

7. (i) Please list all acquisitions and mergers you have made in the past 5 years and indicate the turnover for each acquisition:

(ii) Are all recommendations arising from the pre-acquisition due diligence process immediately implemented?

Yes

No

If 'No' please provide details



Audit & Corporate Governance

8. Do external auditors audit all operations at least annually? Yes No

9. a) Have all recommendations by external Auditors regarding internal controls been complied with following your last audit? Yes No

b) If 'No' please provide details

10. Is there an Audit Committee which monitors the effectiveness of internal controls and reports directly to the Board? Yes No

11. a) Do you comply with all provisions of the Combined Code of Corporate Governance relating to Financial Aspects of your business? Yes No

b) If 'No' please briefly explain reasons for areas of non-compliance

12. a) Do you have an Internal Audit Department? Yes No

b) Do they have an established audit cycle for all operations? Yes No

13. a) Do you have a Treasury Department? Yes No

b) Do they have a procedures manual specifying authority levels for each member of staff? Yes No

14. Are monthly management reports examined for variances against budget forecasts and such variances investigated? Yes No

Internal Financial Controls

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

16. 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 (including capital expenditure), above £5,000? Yes No
- b) Issuing fund transfer instructions? Yes No
- c) Amending fund transfer procedures? Yes No
- d) Opening new bank accounts or amending approved signatory details? Yes No
- e) Investment in and custody of securities and valuables (including blank cheques, travellers cheques, bills of exchange etc)? Yes No
- f) Refund of monies or return of goods above £5,000? Yes No
- g) Disbursement of assets or funds of any Pension Plan? Yes No
- h) Appointing new suppliers or award contracts? Yes No
- i) Disbursement of loans (including loans to employees) or approving borrowings? Yes No
17. Is all supporting documentation validated before signing cheques or authorising payments above £5,000? Yes No
18. Are statements of accounts sent to customers independently of employees receiving payment? Yes No
19. Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds, issue fund transfer instructions or dispatch accounts to customers, at least every 30 days? Yes No

Recruitment Procedures

20. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you;
- a) Obtain written references covering, at least, their previous 3 years employment history? Yes No
- b) Undergo a process to ensure their suitability for the position? Yes No

Stock & Physical Security

21. Is there controlled access to all locations? Yes No
22. Are all premises containing stock, money, securities, precious metals etc connected to an intruder alarm which is connected to a central station or a police station and are such intruder alarms maintained in proper working order? Yes No
23. Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken at least quarterly and is this count reconciled against stock records? Yes No
24. Is the transfer of money and securities valued above £10,000 made by a security or professional cash carrying company? Yes No
25. What is the maximum value of money, securities, precious metals and/or jewellery at any one location:
- a) During business hours? £
- b) Outside business hours? £
26. What is the maximum value of stock, work-in-progress and raw materials at any one location? £

Third Parties

27. Do you maintain an approved suppliers list? Yes No
28. Are suppliers and service providers;
- a) Vetted for competency, financial stability and honesty before being approved? Yes No
- b) Appointed under written contract? Yes No
29. Are procedures in place to assess the suitability of trustees, fiduciaries, administrators or officers of all your Pension Plans? Yes No
30. a) Do you outsource any normal administrative function to third party service providers? Yes No

b) If 'Yes' please detail the services and estimated annual contract values

31. Do you audit outsourcing companies during the term of their contract? Yes No

32. If the outsourcing company operates on your premises are their employees under your daily management control? Yes No

Note: Losses caused by employees of organisations to whom normal administrative functions have been outsourced will only be covered if you have: vetted them for competency, financial stability and honesty; appointed them under written contract; and you retain the right to audit them.

Computer Systems/Internet E-Commerce

33. Are unique passwords used to give various levels of entry to the computer depending on the users job functions? Yes No

34. Are passwords automatically withdrawn when people leave? Yes No

35. Are all amendments to programmes approved independently of the persons making the amendments? Yes No

36. Are programmes protected to detect unauthorised changes? Yes No

37. Is your computer system protected by virus detection and repair software? Yes No

38. Which business activities do you utilise the Internet for?

Email Advertising Selling Product

Hosting Services for Third Parties Other

39. What is the estimated value of e-business revenue in your business? £

40. Please list your principal Website addresses

Fund Transfers

“Fund Transfers” means any instructions (other than cheques) given to a Financial Institution to pay or deliver funds.

41. What is the approximate total annual value of fund transfers?

a) InterGroup Payments

£

b) External Payments

£

42. Please specify which methods are utilised to send fund transfer instructions:

	Password	Encryption	Callback	Other
Written	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electronic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facsimile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

43. Are all fund transfer instructions subject to a verification and authentication process? Yes No

44. Can payment instructions only be made to accounts which are pre-determined as an approved beneficiary? Yes No

45. Is the financial institution required to authenticate the instruction in accordance with a specified mandate before payment is released? Yes No

Plans & Policies

46. Do you maintain a written crisis management or contingency plan covering procedures following kidnapping or extortion? Yes No

47. Do you maintain a written anti-fraud policy which is distributed throughout your organisation? Yes No

48. Do you have a whistleblowing service accessible to all staff? Yes No

49. Are special security precautions taken to protect against kidnapping of directors or employees who live in or travel to volatile countries? Yes No



Optional Extensions to Cover

50. In addition to providing cover for losses arising from Employee Fraud and Dishonesty, we are also able to provide quotations for, damage, destruction or disappearance of money or securities from any cause and losses caused by third parties arising from computer fraud, fund transfer, fraud extortion and kidnap, forgery, fraudulent alteration of a financial instrument, incoming cheque forgery, forged money orders, counterfeit negotiable instruments and credit card fraud.

Further optional extensions to cover can be considered for;

- a) Contractual penalties incurred as a direct result of insured loss
- b) Criminal damage (excluding fire) caused by any person
- c) Interest which would have been receivable or becomes payable as the direct result of insured loss
- d) Theft (violent and forcible) of property from the premises by third parties

Where an optional extension to cover is required an additional premium will apply and Insurers may require further underwriting information. You may already have cover under other insurance contracts. If you wish to consider cover for any optional extension, please indicate which one.

Loss History

51. a) Please provide brief details of any losses sustained during the past five years and before application of any deductible, retention or excess whether insured or not.
(Please include date discovered, location, nature of loss and amount)

- b) Please describe what corrective measures were taken to prevent similar losses

- c) Have such corrective measures been implemented across all operations? Yes No

If 'No' please provide details



Signing this proposal does not bind the proposer to complete this insurance

DECLARATION

I/We declare that the statements and particulars in this proposal are true and that no material facts have been mis-stated or suppressed after enquiry. I agree that this proposal, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before the completion of the contract of insurance.

Signed

Title

(To be signed by Partner/Director or Principal or equivalent)

Company

Date:

A copy of this proposal form should be retained for your own records.

