

Pembroke Proposal Form for Commercial Crime Risks

1. Please answer all questions leaving no blank spaces.
2. If there is insufficient space to complete any answers, please continue on your headed paper.
3. This form must be signed and dated by a director of the Proposer.
4. Please attach the most recent audited Report and Accounts.
5. Any contract of insurance made by the Underwriter and the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer.
6. This proposal is an application for insurance which shall be subject to the terms and conditions of Pembroke Syndicate 4000's CrimeSure Policy as varied by Underwriters.

PROPOSER DETAILS

1. Name of Proposer: _____

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

2. Principal Address of Proposer: _____

3. Date Established: _____

4. Nature of Operations: _____

5. Please complete the columns for each region you operate in:

| Region | Annual Turnover | Number of Locations | Total Number of Employees |
|---------------|-----------------|---------------------|---------------------------|
| UK | | | |
| Europe | | | |
| North America | | | |
| Other | | | |

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

7. Are all recommendations arising from the pre-acquisition due diligence process immediately implemented? Yes No

If "No", please provide details _____

AUDIT & COMPLIANCE

1. Do External Auditors audit all operations at least annually? Yes No

2. Have all recommendations by External Auditors regarding internal controls been complied with following your last audit? Yes No

If "No", please provide details _____

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

4. Do you have an Internal Audit Department? Yes No

If "Yes" do they have an established audit cycle for all operations? Yes No

INTERNAL FINANCIAL CONTROLS & PROCEDURES

1. Do you have an Employee Handbook that sets out Company Policy requirements relating to internal financial controls and procedures? Yes No
2. 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 and amending funds transfer instructions? Yes No
 - c) opening new bank accounts or amending approved signatory details? Yes No
 - d) investment in and custody of securities and valuables? Yes No
 - e) refunds of monies or return of goods above £5,000? Yes No
 - f) disbursement of assets or funds of any Pension Plan? Yes No
 - g) appointing new suppliers or awarding contracts? Yes No
 - h) disbursement of loans (including loans to employees) or approving borrowings? Yes No
 - i) accessing codes, ciphers and test keys? Yes No
3. Is all supporting documentation validated before signing cheques or authorising payments above £5,000? Yes No
4. Are statements of accounts sent to customers independently of employees receiving payment? Yes No
5. Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers, at least every 30 days? Yes No
6. Are wages/salaries independently checked against personnel records for unusual or excessive payments Yes No

RECRUITMENT PROCEDURES

1. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you
 - a) have an established group recruitment policy which assesses the suitability of the individual for the position in question? Yes No
 - b) obtain written references covering, at least, 3 years of the individual's prior employment history? Yes No
2. Do you have an established exit process when employees leave including withdrawal of passwords, keys and access privileges? Yes No
3. Are employees required to declare any outside business interests? Yes No

STOCK AND PHYSICAL SECURITY

1. Is there controlled access to all locations? Yes No
2. Are all premises containing stock, money, securities, precious metals and other items of value connected to an intruder alarm? Yes No
3. Are such alarms maintained in proper working order and connected to a central station or a police station? Yes No
4. 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
5. Are clients or customers property, money or securities held in your care, custody or control? Yes No
6. Do any of your employees work on site at any of your clients' or customers' premises? Yes No
7. Is the transfer of money and securities valued above £10,000 made by a security or professional cash carrying company? Yes No
8. 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? £ _____
9. What is the maximum value of stock, work-in-progress and raw materials at any one location? £ _____
10. Do you maintain an approved suppliers list? Yes No
11. Are suppliers, service providers and outsourcing companies vetted for competency, financial stability and honesty before being approved? Yes No
12. Are all suppliers, service providers and outsourcing companies appointed under a written contract? Yes No

COMPUTER SYSTEMS

1. Are unique passwords used to give various levels of entry to the computer system dependant on the user's job function? Yes No
2. Are all amendments to programmes approved independently of the persons making the amendments? Yes No
3. Are programmes protected to detect unauthorised changes? Yes No
4. Is your computer system protected by virus detection and repair software? Yes No

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

DECLARATION

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.

Signed

Title
(to be signed by a Director, Partner or equivalent)

Company

Date

PLEASE ENCLOSE THE LATEST ANNUAL REPORT & ACCOUNTS WITH THIS PROPOSAL FORM