

Asset Investment Managers Insurance Venture Capital – Private Equity



Directors and Officers Liability • Entity Securities • Professional Liability • Crime • Outside Directorship Liability
New Zealand Proposal form

Instructions to applicant

Completing the Proposal Form

- Please note that this proposal form is being completed by the Applicant on behalf of all the Insureds to be covered and as defined in the Policy. The reference to Applicant means the Policyholder and Subsidiaries, as defined in the Policy.
- Please read the Important Notices.
- Please answer all questions. If you have insufficient space to complete an answer, attach a separate signed and dated sheet and identify the question number concerned.

Please enclose with this Proposal Form:

- (a) Latest audited annual reports and interim reports of the Applicant;
- (b) Latest prospectus or offering memorandum to members of each of the Funds;
- (c) Latest investment performance information for each Fund and Mandate;
- (d) Copy of standard client contract(s); and
- (e) Organisational Chart.

Important Notices

This is a 'Claims Made and Notified' insurance policy. It only provides cover if:

1. A claim is made against the Insured, by some other person, during the period when the policy is in force; and
2. The claim arises out of an occurrence which takes place after the retro active date stipulated in the policy schedule.

Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty at common law to disclose to us every matter you know, or could reasonably be expected to know that a prudent insurer would want to take into account in deciding whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

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

Your duty however, does not require disclosure of a matter:

- that diminishes the risk to be insured;
- that is of common knowledge;
- that we know or in the ordinary course of our business we ought to know;
- that we state to you that we do not want to know.

Non-disclosure or Misrepresentation

If you make a material misrepresentation to us, or if you do not comply with your duty of disclosure, we may treat your policy as if it never existed.

Privacy Act 1993

Zurich respects your privacy. The following is brought to your attention. However this does not apply to companies.

- (a) This Proposal collects personal information about you;
- (b) The information is collected by Zurich to evaluate the insurance being sought;
- (c) The intended recipient of the information is Zurich;
- (d) The information is being collected and held by Zurich;
- (e) The collection of this information is required pursuant to the common law duty to disclose all material facts relevant to the insurance sought and is mandatory;
- (f) The failure to provide this information may result in your application for insurance being declined, or your insurance being void from the beginning;
- (g) You have rights to access, and correct this information subject to the provisions of the Privacy Act 1993.

Data sharing consent

In order to provide a seamless insurance service globally, Zurich may transfer any data Zurich has received from and any data it holds on the policyholder to other units of Zurich Insurance Group Ltd, such as branches, subsidiaries, or affiliates within Zurich Insurance Group Ltd, cooperative partners of Zurich Insurance Group Ltd, coinsurance and reinsurance companies located in the country of the policyholder or abroad.

Zurich as well as such recipients may use, process and store the data, in particular for the purpose of risk evaluation, policy execution, premium setting, premium collection, claims assessment, claims processing, claims payment, statistical evaluation or to otherwise ensure Zurich's global insurance service delivery.

If a broker or agent is acting on behalf of the policyholder, Zurich is authorised to use, process and store data of the policyholder received from such broker or agent, and to forward to such broker or agent data of the policyholder relating to the execution of the policy and the collection of premiums and payment of claims.

Zurich may procure data from government offices and third parties relating to the policyholder to assess a claim in the event of loss or damage.

1 Applicant details

- 1. Name of applicant
- 2. Principal address
- 3. Web address
- 4. Date established
- 5. Nature of the business of the applicant
- 6. Is the applicant licensed by any regulatory authority? Yes No If 'Yes', please list the regulatory authorities

2 Ownership

- 1. Is the applicant
 - (a) Listed on any stock exchange? Yes No
 - (b) Listed on any unlisted securities market or exempt exchange? Yes No
 - (c) Traded in any other way? Yes NoIf 'Yes', please provide full details: stock code; what exchange they are listed on; and type of security traded on that exchange
- 2. Please detail any shareholder or associated group of shareholders who own or control, directly or indirectly, more than 10% of the ordinary share capital of the applicant

3 Information relating to Investment managers and/or Investment structures

1. Please complete the attached Schedule of Investment structures on page 8.
2. Is the Applicant or any individual proposed for coverage aware of any actual (last 12 months) or future acquisition, creation or incorporation of a new Fund: Yes No
 If 'Yes', please list any Funds:
 (a) that are regulated by the U.S. Securities and Exchange Commission

 (b) whose investment strategies are materially different in their nature to those of the existing Funds

4 Service providers/agents

Please provide the list of the Applicant's service providers or agents based on the following functions

	Name of service provider / agent
Fund Management	
Trustee / Responsible Entity	
Custody	
Administration	
Legal	
Audit	
Other	

5 Outside directorship cover

Note

Outside Directorship means the position of director or officer held by any proposed insured person in an Outside Organisation at the request of the Applicant. An Outside Organisation is a company which is not a subsidiary of the Applicant and in which the Applicant holds up to 50% of the issued and outstanding voting shares or is a not for profit entity.

The cover afforded will be excess of any indemnity provided by the Outside Organisation and in excess of any cover provided under the Outside Organisation's insurance policy or policies.

1. Are there any directors, officers or employees that hold an Outside Directorship position in an Outside Organisation? Yes No
 If 'Yes', please complete the following for each Outside Directorship
 (a) Does any Outside Organisation have any securities listed or traded on any exchange in the United States of America or its Territories?
 Yes No If 'Yes', please provide details

 (b) Does any Outside Organisation have total liabilities exceeding total assets (other than Non Profit Organisations)?
 Yes No If 'Yes', please provide details

 (c) Does the Outside Organisation derive more than 20% of its revenue from investment banking, hedge funds or private equity Investments?
 Yes No If 'Yes', please provide details

2. Are any of the Outside Organisations or its directors and officers aware of any claim or circumstances that could give rise to a claim relating to the Outside Organisation? Yes No
 If 'Yes', please provide full details separately.

6 Internal controls and procedures

1. In respect to the transfer of funds or property to another organisation

(a) Please describe the method of instruction, for example, written, telephone, electronic, etc:

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(b) Are these instructions tested or subject to a call back procedure to an authorised person other than the individual initiating the transfer?

Yes No If 'No', please provide details

.....

.....

2. Does the Applicant conduct an independent check of the employment history of any new employees prior to being recruited?

Yes No

3. Are duties segregated so that no individual can complete an activity from the beginning to the completion of the task without referral to another in respect of:

(a) Opening new bank accounts

Yes No

(b) Disbursement of assets

Yes No

(c) Signing cheques or authorising payments greater than \$10,000

Yes No

(d) Custody of securities

Yes No

If 'No', please provide details as to alternative arrangements

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7 External audits

1. State the name of the external auditors who fully audit your accounts, and whether the firm has changed in the last five years

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2. How often are full external audits conducted?

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3. Does the audit include all offices and branches, including data processing offices?

Yes No

4. Does the external auditor:

(a) Regularly review the system of internal control and furnish written reports?

Yes No

(b) Report directly to the Audit Committee of the Board of Directors?

Yes No

5. Has the firm rendered an unqualified opinion for each of the last five years?

Yes No

(a) Have all recommendations been complied with as a result of the most recent audit?

Yes No

If 'No', have you adopted alternative arrangements to the satisfaction of your auditor?

Yes No

8 Securities Entity Cover

Coverage is afforded under this extension to the Applicant for claims made against the entity arising out of the sale or purchase of the Applicant's securities.

Would you like Zurich to provide a quotation for this extension to the policy?

Yes No

9 Insurance details

1. Does the Applicant currently purchase Investment Management Insurance? Yes No
 If 'Yes', please provide the following information:
 (a) Insurer _____
 (b) Limit of Liability _____
 (c) Deductible _____
 (d) Expiry date _____
2. What coverage is now required:
 Directors and Officers Liability Yes No Professional Indemnity Yes No Crime Yes No
 Securities Entity Yes No Outside Directorship Yes No
3. What Limit of Liability is required for each section?
 Directors and Officers Liability _____
 Professional Indemnity _____
 Crime _____
 Security Entity _____
 Outside Directorship _____
 What Aggregate Limit of Liability is required for each Policy Period? _____
 What Deductible is required? _____

10 Venture Capital and Private Equity Investment structures

1. Type investment structure
 Venture Capital Yes No Private Equity Yes No
2. Legal form/structure of the investment structure. Under which legal form/structure has the investment structure been created?

3. Stage of investment
 Seed capital Yes No Early to mid stage Yes No Late stage Yes No
4. Investment strategy
 Preferred investment strategy
 Lead investor Yes No Follow investor Yes No
 Preferred deal partners
 Name _____ Country _____
 Name _____ Country _____
 Name _____ Country _____
 Name _____ Country _____
5. Investors profile
 Type
 Private investors Yes No Institutional investor Yes No
 Minimum Investment
 Minimum initial investment \$ _____
 Minimum follow up investment \$ _____
 Geographical restrictions for investors
 Home country Yes No Continental Europe Yes No UK/Ireland Yes No
 North America Yes No South America Yes No Asia Yes No
 Australia Yes No New Zealand Yes No

10 Venture Capital and Private Equity Investment structures (continued)

6. Portfolio companies

Please complete the attached portfolio company schedule on page 9

7. Services provided to the portfolio companies

Does the policyholder or any other insured entity render other services to the portfolio companies? Yes No

Type service

Fee

\$

\$

\$

Does the policyholder use a separate written contract for the rendering of such additional services? Yes No

8. Exit strategy

What is the preferred exit moment?

Pre-IPO Yes No

IPO Yes No

SPO Yes No

Others Yes No

Does the applicant exit the board as soon an investment is realised? Yes No

9. Parallel Investments by the fund management

Does the management make parallel investments? Yes No

If 'Yes', please indicate the % of such investments vs. total fund assets %

10. Additional information

Please add the following documents:

Most recent annual accounts of each portfolio company

11 Claims/Circumstances

1. Have any claims ever been made against the Applicant or any past or present director, officer or employee of the Applicant? Yes No

2. Is the Applicant, or any director, officer or employee aware, after enquiry, of any fact, circumstance, act or omission which may give rise to a claim? Yes No

3. Has any past or present director or officer of the Applicant ever been declared bankrupt, had any fine or penalty imposed or been subject to any official investigation, inquiry or examination in such capacity? Yes No

4. Has there ever been, or is there currently pending, any prosecution of the Applicant, or any director, officer or employee of the Applicant? Yes No

5. Has the Applicant, or any director, officer or employee of the Applicant, ever had an insurer decline a proposal for, or cancel or refuse to renew, an Investment Management Insurance policy, Directors & Officers Liability Insurance policy, Professional Indemnity Insurance policy, or Crime Insurance policy, or had any special terms or conditions imposed? Yes No

6. Have any losses been paid on behalf of the Applicant or any past or present director, officer or employee of the Applicant, under any Investment Management Insurance policy, Directors & Officers Liability Insurance policy, Professional Indemnity Insurance policy, or Crime Insurance policy? Yes No

NOTE: if you answer YES to any of the above questions, please provide full details separately.

12 Declaration

We (the undersigned):

- (a) acknowledge that we have read and understand the Important Notices contained in this proposal;
- (b) agree that this proposal, together with any other information or documents supplied, shall form the basis of any resulting contract of insurance;
- (c) acknowledge that if this application is accepted, the contract of insurance will be subject to the terms and conditions as set out in the policy wording as issued or as otherwise specifically varied in writing by Zurich;
- (d) declare after enquiry that the statements, particulars and information contained in this application and in any documents accompanying this application are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted;
- (e) undertake to inform Zurich of any material alteration to those facts before completion of the contract of insurance.

Name of Chairperson

Signature of Chairperson	Date
X	/ /

Name of Managing Director/Chief Executive Officer

Signature of Managing Director/Chief Executive Officer	Date
X	/ /

