

FOREFRONT PORTFOLIO - PROPOSAL FORM

NOTICE TO THE APPLICANT

The Company's liability does not commence until this Proposal Form has been accepted by it; it has received the requisite premium; and it issues a policy to the Applicant.

Completing the Proposal Form

- * Please answer all questions in full leaving no blank spaces. Clearly specify if any question is not applicable. Insurance is a contract of utmost good faith requiring the Applicant to disclose, and not suppress, all material facts. If you think any fact is material, please disclose it.
- * If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned.
- * It is agreed that whenever used in this proposal form, the term Applicant means the Principal Organisation Insured Organisation and all its Subsidiaries as defined in the HDFC ERGO General Insurance ForeFront Policy.(the "policy")
- * It is agreed that whenever used in this proposal form the definition of the terms 'Claims', 'Policy Period' or 'Defense Costs' are in accordance with the policy.
- * The headings in this proposal form are solely for convenience.
- * Please contact the Company's agents or brokers for any assistance with or clarifications regarding this Proposal Form.

THE LIABILITY COVERAGE SECTION OF THE POLICY FOR WHICH THIS PROPOSAL IS SUBMITTED IS A CLAIMS MADE & REPORTED POLICY WHICH COVERS ONLY 'CLAIMS' FIRST MADE AND REPORTED IN WRITING IN ACCORDANCE WITH THE POLICY PROVISIONS. THE LIMIT OF LIABILITY TO PAY 'LOSS' WILL BE REDUCED AND MAY BE EXHAUSTED BY THE 'DEFENSE COSTS'.

PLEASE READ THE POLICY AND PROPOSAL CAREFULLY

1. Name of **Applicant**: _____ Year Established: _____
2. **Applicant's** Registered Office: _____
3. Nature of **Applicant's** Business: _____
4. Does the Applicant have any operations:
 - a) in the United States of America? Yes No
 - b) any other overseas locations? Yes No
 If, yes, please specify which overseas locations: _____
5. Is the **Applicant** a:
 - a) Private company? Yes No
 - b) Public company? Yes No
6. Is the **Applicant** listed on any stock exchange anywhere in the world? Yes No
If yes, identify the exchange(s) on which the Applicant is listed together with its stock symbol: _____
7. **Directors and Officers Liability**
 - a) Name of Directors: _____
 - b) Name of shareholders owning 5% or more of the ordinary shares in the Applicant (directly or beneficially): _____
 - c) Is the Applicant anticipating any merger, acquisition, amalgamation, divestment or public offering of securities within the next twelve months? Yes No
If yes, please provide details: _____

8. Financial Information

The Applicant is only required to provide the information requested below if audited Financial Statements for the past two years are **unavailable**.

	This year (/ /200)	Last year (/ /200)
Total Assets	Rs.	Rs.
Total Liabilities	Rs.	Rs.
Total Revenue:	Rs.	Rs.
Total Net Assets:	Rs.	Rs.
After tax Profit (Loss):	Rs.	Rs.

9. Employment Practices Liability

- a) Does the company require an Entity EPL Yes No
- b) If Yes please state the limits required: _____
- c) Total number of local employees (including full time, part time and casual): _____
- d) Total number of overseas employees (including full time, part time and casual): _____
- e) Geographical breakdown of overseas employees:
 - i) Australia
 - ii) USA:
 - iii) Other (please specify): _____
- f) How many directors and/or employees left the Applicant in the last twelve (12) months? _____
- g) Does the Applicant anticipate any retrenchments or layoffs within the next 12 months? Yes No
If yes, how many? _____
- h) Does the Applicant have written employment procedures (eg Employee Handbook) that are available to each employee? Yes No

10. Trustees Liability

- a) Does the company require Trustee Liability Yes No
- b) If Yes please state the limits required: _____
- c) Name of the **Applicant's** Trust Fund _____
- d) Is the Trust Scheme predominantly:
 - i) Defined Contribution? Yes No
 - ii) Defined Contribution? Yes No
- e) Is an external Investment Manager used? Yes No
- f) Is the Trust Scheme externally administered? Yes No

11. Internet Liability

- a) Does the company require Internet Liability Yes No
- b) If Yes please state the limits required _____
- c) Identify the internet site (including URL) for which coverage is sought: _____
- d) The date the site first went on line? _____
- e) Does the Applicant own a registered trademark in its domain name? Yes No
- f) Does the Applicant have a privacy policy posted on all of its internet sites? Yes No
- g) Does the Applicant require review and approval of content by lawyers prior to allowing any content to be posted on its internet site? Yes No
- h) Do any of the Applicant's internet sites contain any of the following content; transact business in any of the following areas; sell or make available any of the following products or services:
- i) Pornographic material or other material of a sexually explicit nature? Yes No
 - ii) Medical records or other health care information pertaining to identifiable patients? Yes No
 - iii) Financial services including banking, insurance or investment services? Yes No
 - iv) Professional services such as legal services, accounting services, medical services or services that must be provided by licensed professionals? Yes No
 - v) Music available to be downloaded by users? Yes No

Please Note: If the Applicant answered 'yes' to any of the foregoing it may be ineligible for Forefront.

- i) Is electronic commerce conducted on any of the Applicant's internet sites? Yes No

Please Note: If yes, the Applicant may be ineligible for ForeFront.

12. Outside Directorship Liability

- j) Does the Applicant require cover for any Outside Directorships? Yes No

If yes, complete Schedule A – Outside Director Liability Supplementary Proposal - for those positions for which the Applicant requires coverage.

(An Outside Directorship means the position of company director, officer, trustee, governor, councillor, company secretary or the holder of an equivalent position in any jurisdiction held by the Applicant's executive officers on the board of an entity which is not (i) a subsidiary of the Applicant; (ii) a non-profit entity; (iii) publicly traded; (iv) located, incorporated, domiciled or operating in the USA; or a financial institution, which position is assumed and maintained at the request of the Applicant.)

13. Crime

- a) Does the company require Employee Theft Insurance? Yes No
- b) If Yes please state the limits required: _____
- c) Does any person reconciling bank statements also sign cheques and/or handle bank deposits? Yes No
- d) Are countersignatures required on all cheques? Yes No
- e) Is there an annual independent physical count of stock that is reconciled against inventory records? Yes No
- f) If the Applicant uses or participates in any electronic funds transfer facilities:
- i) who has authority to initiate a funds transfer?
 - ii) does the person initiating a funds transfer also authorise such funds transfer?
 - iii) what are the authorised limits of the person authorised to initiate a funds transfer?
 - iv) what are the authorised limits of the person authorised to approve a funds transfer?
 - v) what procedures are in place for authenticating funds transfer instructions?
- g) Is there controlled access to all the Applicant's premises and computer terminals at such premises? Yes No

14. Loss & Insurance History

- a) Is any person proposed for coverage aware of any facts or circumstances which he or she has reason to suppose might afford valid grounds for any future claim(s) that would fall within the scope of the proposed coverage or which indicate the probability of any such claim(s)? If yes, please provide details. Yes No
- b) Within the last three years, has the Applicant, its directors, officers and/or any other proposed insured person been the subject of any complaint, suit, inquiry or notice of a hearing from any regulatory, body, or any other party? If yes, please provide details Yes No
- c) Within the last three years, has the Applicant discovered any employee dishonesty, burglary, robbery, disappearances, destruction or forgery losses? If yes, please provide details. Yes No
- d) Has the Applicant been declined, had cancelled or non-renewed any insurance policies for any of the coverages for which it is applying? If, yes, please provide details Yes No

15. False Information

Any person who, knowingly and with intent to defraud any insurance company or other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto or makes an untrue or incorrect statement, misrepresentation, non-description or non-disclosure of any material particular in the Proposal Form and all attachments and schedules hereto, commits a fraudulent insurance act, which may result in a denial of insurance benefits or rescission of the policy.

16. Limit of Liability

What limit of liability does the Applicant require? _____

17. PREMIUM DETAILS

Amount Rs. Rupees _____

18. SOURCES OF FUND

Salary Business Other (Please Specify) _____

19. BANK ACCOUNT DETAILS

Name of the Bank Account Holder

Bank Account No. Account: Savings Current

Name of Bank Branch

MICR Code (9 digit MICR code number of the bank and branch appearing on the cheque issued by the bank)

IFSC Code (11 character code appearing on your cheque leaf)

I wish: Any refund due on the premium payment / any payment/claims will be directly credited to my aforesaid Bank Account.*

*As per the IRDA, its mandatory that all payments made to the insured only through electronic mode.

20. **Declarations and Signature**

The undersigned officer of the **Applicant** declares on behalf its behalf that it wishes to insure with the Company in respect of the risk described in this Proposal Form. The undersigned officer of the **Applicant** declares that to the best of his or her knowledge and belief the statements set forth herein and all attachments and schedules hereto are true and complete and immediate notice will be given should the above information alter between the date of the Proposal Form and the effective date of this policy.

Although the signing of this proposal form does not bind the undersigned on behalf of the **Applicant** or its directors, officers or other insured person to effect insurance, the undersigned, the **Applicant** and all persons proposed for this insurance agree that this Proposal Form and its attachments and schedules are material to the Company's decision to provide this insurance and shall be the basis of the contract should a policy be issued and shall be attached to and form part of this policy.

The undersigned officer of the **Applicant** declares that the contents of the Proposal Form and Schedules hereto have been fully explained to him or her and that he or she has fully understood the significance of the proposed policy. He or she also agrees that the policy is effective from the commencement of the Policy Period as set forth in the Declarations to the General Terms and Conditions notwithstanding acceptance of this Proposal Form and receipt of the premium by the Company.

21. **Records and References**

The Applicant authorises the Company to obtain any records or references, be they medical or otherwise, when considering whether and on what terms and conditions to issue this policy or in assessing any potential or future claims.

This section of the proposal form must be signed by the APPLICANT'S CHAIRMAN OF THE BOARD, AN EXECUTIVE DIRECTOR OR ITS MANAGING DIRECTOR.

Date & Place _____ Signed _____ Title _____

A policy cannot be issued unless the proposal is duly completed, signed, dated and stamped

DECLARATION & WARRANTY ON BEHALF OF ALL PERSONS PROPOSED TO BE INSURED

THIS POLICY SHALL BE VOIDABLE AT THE OPTION OF THE COMPANY IN THE EVENT OF MIS-REPRESENTATION, MIS-DESCRIPTION OR NON-DISCLOSURE OF ANY MATERIAL PARTICULARS BY THE APPLICANT. ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE INSURANCE COMPANY OR OTHER PERSONS, FILES A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE COMPANY'S SOLE DISCRETION AND RESULT IN A DENIAL OF INSURANCE BENEFITS.

IF A CLAIM IS IN ANY RESPECT FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR OTHER DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE APPLICANT, INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF TO OBTAIN ANY BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE APPLICANT, INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY ARE FORFEITED AT THE COMPANY'S SOLE DISCRETION.

I/We hereby understand, declare, consent and authorize the Company to use financial information, as provided to the Company for underwriting the risk. I/We hereby also understand, declare, consent and authorize the Company that the Company shall have right to retain the aforementioned information and disseminate the same to its service provider(s) for providing services related to insurance.

PROHIBITION OF REBATES

Section 41 of Insurance Act 1938

1. **No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a Policy accept any rebate except such rebates as may be allowed in accordance with the published prospectus or tables of the Insurer.**
2. **Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to five hundred rupees.**

To be completed by anyone who assists the Applicant in completing this Proposal Form:

I certify that I have explained the contents of this Proposal Form to the Applicant in the language he or she understands and that the Applicant fully understands its contents. I have recorded the Applicant's replies to the questions contained in this Proposal Form in accordance with the information provided by such Applicant. I read these replies aloud to the Applicant, who fully understands them and confirms that they are true and complete.

Date _____ Name _____ Address _____ Signature _____

SCHEDULE A: OUTSIDE DIRECTOR LIABILITY SUPPLEMENTARY PROPOSAL

Position held in the Outside Entity	Name of Outside Entity	% shares owned by Applicant	Name of each entity or individual holding more than 5% of shares of Outside Entity	If Outside Entity is publicly traded provide stock symbol and identify exchange on which its securities are traded.	Nature of Business Activities	Country of Incorporation	Is Outside Entity public, private or other?	Does the Outside Entity indemnify its directors and officers?	Indicate D&O Insurer and Insurance limit and deductible carried by the Outside Entity	Has the Outside Entity or its directors and officers been involved in any D&O litigation related to the Outside Entity? If yes, attach details.

PLEASE ATTACH LATEST ANNUAL REPORT INCLUDING FINANCIAL STATEMENTS FOR EACH OUTSIDE ENTITY.