



GRAND TRUST

UNDERWRITERS

Flat D, 10/f.,
World Trust Tower,
50 Stanley Street,
Central,
Hong Kong

Tel: (852) 2526-6674

Fax: (852) 2868-1759

info@grandtrust.com.hk

Directors and Officers Liability Insurance Proposal Form for Business

IMPORTANT NOTICES

Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

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

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your Insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the Insurer.

It is important that all information contained in this proposal is understood by you and is correct, as you will be bound by your answers and by the information provided by you in this proposal. You should obtain advice before you sign this proposal if you do not properly understand any part of it.

Your duty of disclosure continues after the proposal has been completed up until the contract of insurance is entered into.

Non-Disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to avoid the contract from its beginning.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning, to retain any premium that you have paid for this contract of insurance.

Claims Made Contract

Subject to its terms and conditions the policy will cover your legal liability for any claim:

first made against you during the policy period;
resulting from any circumstance of which you become aware during the policy period which may give rise to a future claim against you provided you immediately inform us in writing of such circumstances within the policy period.



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The Policy will not cover your legal liability resulting from any claim, matter, occurrence or circumstance arising from any act, error or omission committed or alleged to have been committed of which you were aware before commencement of the policy period.

Change of Risk or Circumstances

You should advise the Insurer as soon as practicable of any change to your normal business as disclosed in the proposal, such as changes in location, acquisitions and new overseas activities.

Subrogation

Where you have agreed with another person or company, who would otherwise be liable to compensate you for any loss or damage which is covered by the policy, that you will not seek to recover such loss or damage from that person, the Insurer will not cover you, to the extent permitted by law, for such loss or damage.



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INSTRUCTIONS TO THE PROPOSER

Before completing this proposal please read the Important Notices starting on page 1.

This proposal should be answered after detailed enquiry of all persons to be covered.

1. Please type or print answers clearly.
2. Answer all questions completely, leaving no blanks. If any questions, or part thereof, do not apply, type or print 'N/A' in the space.
3. Provide any supporting information on a separate sheet using your Company's letterhead and reference the applicable question number.
4. Check Yes or No answers.
5. This form must be completed, dated and signed by an authorized officer of your Company.

Please enclose copies of the following with this proposal:

- A. The latest annual report and audited accounts for the Company.
- B. The latest interim statement (if applicable).
- X. Any Officer Document/Listing Particulars published in the last 12 months.

<u>Proposer details</u>		
1.	Name of Company	
2.	Address of registered office	
	Street	
	City	
	Country	
	Company website URL	www.
3.	How long has the Company continually carried on business?	years
4.	Business activities of the Company (including its subsidiaries)	



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5.	During the last 5 years has	
a)	the name of the Company changed?	Yes <input type="checkbox"/> No <input type="checkbox"/>
b)	any acquisition or merger taken place?	Yes <input type="checkbox"/> No <input type="checkbox"/>
c)	any subsidiary been sold or ceased trading?	Yes <input type="checkbox"/> No <input type="checkbox"/>
d)	the capital structure of the Company changed?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes to any of the questions a)-d) above, please give details on a separate sheet on the Company's letterhead.	
6.	Is the Company	
a)	public?	Yes <input type="checkbox"/> No <input type="checkbox"/>
b)	private?	Yes <input type="checkbox"/> No <input type="checkbox"/>
c)	listed on any Hong Kong stock exchange?	Yes <input type="checkbox"/> No <input type="checkbox"/>
d)	listed on any foreign stock exchange?	Yes <input type="checkbox"/> No <input type="checkbox"/>
e)	aware of any acquisition, tender offer or merger pending or under consideration?	Yes <input type="checkbox"/> No <input type="checkbox"/>
f)	aware of any proposal relating to its acquisition by another company?	Yes <input type="checkbox"/> No <input type="checkbox"/>
g)	intending a new private or public offering of securities (equities, debt, shares, notes, bonds, debentures etc) within the next 12 months?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes to any of the questions d)-g) above, please give details on a separate sheet on the Company's letterhead.	
7.	Please list (divided between classes if applicable)	
a)	total number of shareholders	
b)	total number of shares	
c)	total number of shares held by directors or officers (both direct and beneficial)	
d)	all holdings representing 5% or more of the ordinary share capital of the Company giving the holder and the percentage held by each	
	<u>Shareholder</u>	<u>% held</u>
		%
		%
		%
		%
e)	all listed subsidiaries	
	<u>Subsidiary</u>	<u>Name of exchange</u>



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8.	Please give details of any change to the list of directors and officers in the past 12 months.	
9.	Has the Company or any listed subsidiary appointed a new external auditor in the last 3 years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please state when and why the new appointment was made.	
10.	Does the Company or any listed subsidiary have any intention to appoint a new external auditor in the next 12 months?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please state when and why the new appointment was made.	
11.	In the last 3 years, have the Company's external auditors raised any concerns over any aspect of the Company's accounts?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give details.	
12.	Does the Company or any of its directors or officers have any interests in any partnerships or special purpose vehicles?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give details.	
13.	Does the Company anticipate having to take a significant one time charge to earnings or restate earnings within the next 12 months?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give details.	
14.	Which of the audit committee members has the greatest financial expertise and how was this gained?	



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15.	Has the Company ever had any insurer decline a proposal or cancel or refuse to renew a Directors & Officer Liability insurance policy?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give details.		
North America exposure details			
If the Company does NOT have any North America exposure, please check None and continue to question #21.			None <input type="checkbox"/>
16.	Please give		
a)	total gross assets of the Company & all its subsidiaries in North America	US\$	
b)	percentage of total gross assets in North America	%	
c)	turnover generated in North America in the most recently reported financial year	US\$	
d)	percentage of total turnover in North America	%	
17.	Please complete the table below in relation to subsidiaries in North America that are not wholly owned.		
	<u>Subsidiary name</u>	<u>% owned by the Company</u>	<u>Name of exchange if listed</u>
		%	
		%	
		%	
		%	
18.	North America securities		
a)	Does the Company or any of its subsidiaries have any securities (equity, debts, shares, notes, bonds, debentures etc) in North America?		Yes <input type="checkbox"/> No <input type="checkbox"/>
b)	If Yes, please advise which stock exchange traded and percentage of stock		
	<u>Stock Exchange</u>	<u>% of stock</u>	
	NYSE	%	
	NASDAQ	%	
	[Other]	%	
c)	On what date was the last offer / tender / issue made?		
d)	Was the offer subject to the Securities Act of 1933 (USA) and/or Securities Exchange Act of 1934 (USA) or any amendments thereto?		Yes <input type="checkbox"/> No <input type="checkbox"/>
e)	Are any shares traded in the form of ADR's?		Yes <input type="checkbox"/> No <input type="checkbox"/>



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f)	If Yes, please advise the following information:		
(i)	Are they sponsored or unsponsored?	Sponsored <input type="checkbox"/> Unsponsored <input type="checkbox"/>	
(ii)	If sponsored, name of depository		
(iii)	Total number of ADR's traded and the percentage traded as a total of issued share capital		
	# of ADR's traded:	% traded as a total of issued share capital:	%
(iv)	Please indicate ADR Level traded	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 144a <input type="checkbox"/>	
(v)	Total number of ADR shareholders		
(vi)	If the Company has a sponsored ADR programme, please provide the value of ADR's traded in each of the last 12 months		
(vii)	Is the Company or any subsidiary intending any change regarding its ADR status in the next 12 months (such as changing from unsponsored to sponsored, level 1 to level 3, etc.)?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give details.		
19.	Does the Company or any of its subsidiaries have any debt instruments or commercial paper in North America?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give details.		
20.	Has the Company been required to provide a 20-F or similar filing to the Securities Exchange Commission (USA)?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please attach a copy.		
Pollution			
21.	Does the Company have a director, senior manager or a committee with responsibility for environmental issues?		Yes <input type="checkbox"/> No <input type="checkbox"/>
22.	Does the Company have standard procedures for insuring pollution exposures in respect of any acquisition by the Company or purchase of property by the Company?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please attach a copy.		
23.	Does the Company, either directly or through a consultant, conduct environmental surveys of its facilities and operations?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please attach copies of any reports with respect to such surveys.		
24.	Does the Company presently have any pollution or environmental insurance in force?		Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give the following details:		
	<u>Insurer</u>	<u>Limit of Liability</u>	<u>Retention</u>
			<u>Expiry Date</u>



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Employment Practices								
25.	Please specify the total number of employees:							
<u>Hong Kong</u>		<u>USA</u>		<u>Europe</u>		<u>Others</u>		
Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	
26.	Does the Company anticipate any layoffs or early retirements, any consolidation or restructuring, or any closure of any plant, facility, branch or office within the next 12 months?						Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If Yes, please give details.							
27.	Does the Company publish a written human resources manual, employee handbook or management guidelines?						Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If Yes, please attach a copy.							
28.	Does the Company conduct written performance evaluation of its staff?						Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If Yes, how often is such evaluation conducted:							
General Questions								
29.	Have claims ever been made against any past or present director or officer of the Company or its subsidiaries?						Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If Yes, please give details.							
30.	Is the proposer aware, after enquiry, of any circumstance or incident which may give rise to a claim?						Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If Yes, please give details.							
31.	Has any investigation, examination, inquiry or similar proceeding, in relation to the affairs of the Company or any subsidiary or any director or any officer by virtue of their position as director or officer been undertaken or intimated by any body?						Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If Yes, please give details.							
32.	Limit of liability requested:							



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	HK\$10 million <input type="checkbox"/> HK\$25 million <input type="checkbox"/> HK\$50 million <input type="checkbox"/> HK\$75 million <input type="checkbox"/> HK\$100 million <input type="checkbox"/> HK\$150 million <input type="checkbox"/> HK\$200 million <input type="checkbox"/> Other:			
33.	Optional Extension requested:			
	Entity Cover for Securities Claims <input type="checkbox"/> Entity Cover for Employment Related Claims <input type="checkbox"/>			
34.	Does the Company currently have Directors and Officers Liability insurance?			Yes <input type="checkbox"/> No <input type="checkbox"/>
	If Yes, please give the following details:			
	<u>Insurer</u>	<u>Limit of Liability</u>	<u>Premium</u>	<u>Expiry Date</u>
				<u>Pending & Prior Litigation Date</u>

DECLARATION

- We acknowledge that we have read and understood the Important Notices contained in this proposal.
- We agree that this proposal, together with any other information or documents supplied, shall form the basis of any contract of insurance.
- We acknowledge that if this proposal 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 the Insurer.
- We declare after enquiry that the statements, particulars and information contained in this proposal and in any documents accompanying this proposal are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted.
- We undertake to inform the Insurer of any material alteration to those facts before completion of the contract of insurance/insurance policy period (if applicable).

Signed _____

Date _____



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