

PROPOSAL FORM

FINANCIAL INSTITUTIONS PROFESSIONAL INDEMNITY



Proposal Form

1. All questions must be answered giving full and complete answers.
2. Please ensure that this Proposal Form is Signed and Dated.
3. This document is designed to be completed electronically.
4. Appendix to complete if applicable:
 - Non-Employed and Corporate Authorised Representatives (pg 9)
 - Stockbrokers (pg 11)
 - Lending Institutions (pg 14)
 - Financial Advisers (pg 17)
 - Corporate Advisers (pg 22)

The following documents must be submitted with this proposal form:

- (a) The latest Annual Report (and any Interim Report issued) and Financial Statements.
- (b) An organisation chart showing responsibilities and reporting lines to the Board of Directors.
- (c) A copy of the most recent auditors management letter.
- (d) CV's of Key Personnel.
- (e) Business plan if start-up operations.

LAUW
LONDON AUSTRALIA UNDERWRITING



IMPORTANT NOTICES

THIS POLICY

This policy is an important document. The policy wording and schedule together set out the cover provided, the amount insured and the terms and conditions of your insurance. Please read it carefully and keep it in a safe place.

London Australia Underwriting Pty Ltd, ABN 40 114 962 435, is a coverholder for certain Underwriters at Lloyd's. London Australia Underwriting Pty Ltd has the authority to bind this Policy on their behalf.

YOUR DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about

IF YOU DO NOT TELL US SOMETHING

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

CLAIMS MADE POLICY

This Policy operates on a claims made and notified basis. This means that the Policy provides cover for **Claims** first made and **Notified** during the **Policy Period**, subject to the terms and conditions of the Policy.

The Policy does not provide cover in relation to Known Facts (as set out in the relevant exclusion) nor in relation to any actual or alleged act, error, omission or event before the Retroactive Date (if any) specified in the schedule (as set out in the relevant exclusion).

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the **Policy Period**, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the **Policy Period**. Those rights are in addition to any rights that you may have under the Policy.

CONTINUITY CLAUSE

Where the word "policy" appears herein, the word "certificate" shall be deemed to be substituted therefore where the context allows.

GOVERNING LAW AND SERVICE OF SUIT

Underwriters hereon agree that:

(a) in the event of a dispute arising under this Insurance, the **Underwriters** at the request of the **Insured** will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.

(b) any summons notice or process to be served upon the **Underwriters** may be served upon the Lloyd's General Representative in Australia, Suite 2, Level 9, 1 O'Connell Street, Sydney, NSW 2000, who has authority to accept service and to enter an appearance on the **Underwriters'** behalf, and who is directed at the request of the Insured to give a written undertaking to the **Insured** that he will enter an appearance on the **Underwriters'** behalf.

(c) If a suit is instituted against any one of the **Underwriters**, all **Underwriters** hereon will abide by the final decision of any such Court or any competent Appellate Court.

GENERAL INSURANCE CODE OF PRACTICE

LAUW and **Underwriters**, through Lloyd's, proudly support and agree to comply with the Insurance Council of Australia's General Insurance Code of Practice, except in relation to any claims adjusted outside Australia. The terms of the Code require us to be open, fair and honest in our dealings with you.

Any enquiry or complaint relating to this Insurance should be referred to the **Underwriters** in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to the Lloyd's **Underwriters'** General Representative in Australia, Suite 2, Level 9, 1 O'Connell Street, Sydney, NSW 2000, who will refer your dispute to the Policyholder and Market Assistance Department at Lloyd's of London. Complaints that cannot be resolved by the Policyholder and Market Assistance Department at Lloyd's of London may be referred to an appropriate external dispute resolution service. Further details will be provided at the appropriate stage of the complaints process.

PRIVACY NOTICE

LAUW and **Underwriters** are committed to compliance with the provisions of the Australian Privacy Principles and the Privacy Act 1988 (Commonwealth). In order for **Underwriters** to assess the risk of and provide you with insurance products and assess and manage any claims under those products, it is necessary to obtain personal information from you. If you do not provide us with this information, this may prevent **Underwriters** from providing you with the products or services sought.

If you provide us with information about someone else, you must obtain their consent to do so. LAUW and **Underwriters** may disclose your information to other insurers, their reinsurers, and insurance reference service or other advisers used by **Underwriters** or LAUW on behalf of **Underwriters** such as loss adjusters, lawyers or others who may be engaged to assist in claims handling, underwriting or for the purpose of fulfilling compliance and/or regulatory requirements. These third parties will all be contractually required to adhere to **Underwriters**' privacy obligations.

Our privacy policy contains information about how you can access the information we hold about you, ask us to correct and how you may make a privacy related complaint. You can obtain a copy of our privacy policy at <http://www.lauw.com.au/privacy-policy.php>.

Should you require access to your personal information, **Underwriters** may be contacted on (02) 8912 6400.

A. PARTICULARS OF PROPOSER

1. Company name:

(a) Subsidiaries of Company listed in Question 1:

2. Address:

3. Financial Services:

4. AFSL Number:

5. ACL Number:

6. Country or State of registration:

7. Type of company:

☐ Public ☐ Private ☐ Mutual ☐ Not for Profit

☐ Listed on the ASX - date of listing:

☐ Listed on any Foreign Exchange - date of listing and Exchange:

☐ Traded in any other way - Please state

8. Directors / Shareholding:

Director	Shareholding

9. Date since the Company has continuously carried on business:

10. Do you require coverage for any Corporate or Non-Employed Authorised Representatives?

☐ Yes ☐ No If Yes, please complete **Appendix 1** of this Proposal form

- 11.** Please confirm the Total Gross Income for the past 3 years; including income from any Subsidiary to be covered and / or person or entity named in Appendix 1 attaching:

Date as at: (dd/mm/yyyy)	Gross non-interest income (Fees and Commissions):	Gross Interest Income:	Total:

- 12.** Percentage Income split derived from Wholesale versus Retail Clients

Wholesale %

Retail %

- 13.** Percentage Income split between Fee for Service & Commission Revenue

Fee for Service %

Commission %

- 14.** Does the Proposer have operations in the USA / Canada?

☐ **Yes** ☐ **No** If Yes, please confirm fee income and services provided:

USD\$

Services:

- 15.** At the dates indicated what approximate percentage of the Proposer's Gross Total Revenues were derived from the following activities?

	(i)	(ii)	(iii)	Please complete Appendix
Date as at: (dd/mm/yyyy)				
Loans:				
(i) Retail				3
(ii) Commercial				3
(iii) Interbank				3
Leasing:				3
Life Insurance Broking:				4
Foreign Exchange Dealing:				2
Options / Futures Trading:				2
Securities Dealing Without Advice (Execution Only):				2
Securities Dealing with Advice:				2
Derivative & other trading not included above:				2
Managed Discretionary Accounts:				2
Commodities:				2
Margin Lending:				2
Investment Banking / Corporate Advisory:				5
Mortgage Origination:				3
Financial Planning:				4
Any other activity				
(i)				
(ii)				
(iii)				
(iv)				
Total				

B. REGULATION / AUDIT / COMPLIANCE

REGULATION

16. To which regulatory authorities are the Proposer accountable and when was the Proposer last investigated (including current investigations)?

Authority	Date of last investigation

17. Are there any outstanding issues from the investigation?

☐ Yes ☐ No

If Yes, please provide details including timeframe for implementation:

18. Did such an investigation result in disciplinary proceedings or admonishments?

☐ Yes ☐ No

If Yes, please provide details:

EXTERNAL AUDIT

19. Who are the Proposer's external Auditors?

20. Has the auditor changed in the past 3 years?

☐ Yes ☐ No

If Yes, please explain why:

21. Has the auditing firm made any material recommendations in their last two management letters?

☐ Yes ☐ No

22. Have all material recommendations been adopted?

☐ Yes ☐ No

If No, please explain why not:

INTERNAL AUDIT

23. How many people are employed in the Proposer's internal audit function?

24. Does the audit programme encompass independent checks on:

(a) Segregation of duties?

☐ Yes ☐ No

(b) Accuracy of records?

☐ Yes ☐ No

COMPLIANCE

25. Does the proposer have a Compliance Department?

☐ Yes ☐ No

26. Please supply details of training undertaken to meet your obligation for Authorised Representatives:

27. Please describe how directors and employees are kept abreast of compliance and regulatory issues throughout the group:

RISK MANAGEMENT

28. What procedures do you have in place to authenticate both:

(a) Requested changes to a third party vendor or customer bank account information held on record:

(b) Customer / client instructions to direct funds to a third party bank account recipient:

(c) If a call back procedure is required, is this to a previously established number:

☐ Yes ☐ No

If No, please explain why not:

29. Is there an independent validation of said requests by another member of staff:

☐ Yes ☐ No

If No, please explain why not:

30. What procedures are in place to validate internal fund transfer requests of the company's own funds to 3rd party recipients?

31. As part of:

i) Standard client agreement opening procedures; or

ii) Applications for investment accounts; or

iii) Otherwise in the course of your business:

Do customers / clients provide authority to operate cash management or other bank accounts on their behalf?

☐ Yes ☐ No

If Yes, please provide details and risk management procedures in place to prevent fraud and confirm level of such authority granted:

C. CLAIMS / LOSS DETAILS

- 32.** Please describe in detail the Proposer's procedures for handling and dealing with the issues of complaint, litigation and potential claim notification at both head office and other locations. (Attach a separate sheet if necessary)

- 33.** Has the Proposer ever had a policy of insurance cancelled or refused?

☐ Yes ☐ No

If Yes, please provide details:

- 34.** After enquiry has any loss/circumstance, demand or claim of a type being the subject of this type of insurance been sustained by, identified, or made against the Proposer to which this application applies during the past 10 years.

☐ Yes ☐ No

If Yes, please complete the table below. State all claims / loss details whether insured or uninsured:

Date of loss	Nature of Claim / Loss (Please attach full details where appropriate including claimant <input type="checkbox"/>)	Amount Claimed (AUD \$)	Amount Paid (AUD \$)	Amount Outstanding (AUD \$)
	<input type="checkbox"/>			
	<input type="checkbox"/>			
	<input type="checkbox"/>			
	<input type="checkbox"/>			
	<input type="checkbox"/>			

- 35.** Please provide full details of corrective action taken to avoid recurrence of the said claims / losses.

☐ Attach a separate sheet if necessary

- 36.** After enquiry is the Proposer currently involved in any litigation as a defendant? (including counter-claims)

☐ Yes ☐ No

If Yes, please provide details:

- 37.** During the last 10 years has the Proposer received any admonishment or what could be perceived as a critical directive from any regulatory authority?

☐ Yes ☐ No

If Yes, please provide details:

- 38.** Is the Proposer for insurance aware, after enquiry, of any circumstances or incident which the Proposer has reason to suppose might afford grounds for any future claim such as would fall within the scope of the proposed insurance?

☐ Yes ☐ No

If Yes, please provide details:

D. STAMP DUTY SPLIT

- 39.** 8. For the purpose of calculating Stamp Duty please confirm the number of employees in the relevant State of Australia:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas

E. DECLARATION FOR ALL SECTIONS

Other Material Facts

Note: If there is any doubt as to what constitutes a material fact it should be declared. ALL the information requested in this proposal is material.

40. Are there any other material facts regarding the risk which should be disclosed to Underwriters for their consideration? (Attach a separate sheet if necessary)
- ☐ Yes
 ☐ No

If Yes, please provide a detailed explanation:

DECLARATION

We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the Proposer. After full enquiry, I/We also confirm that We have disclosed all information and material facts that may alter the Underwriters' view of the risk, or affect their assessment of the exposures they are covering under the policy. We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

We acknowledge that we have read and understood the content of the Important Notice contained in this proposal.

This Proposal must be signed by a senior owner, Partner, Officer or Director of the Company and at least one other Officer authorised to sign on behalf of the company.

Name:	Date:	Signed:
<div></div>	<div></div>	<div></div>
Capacity:	Company:	
<div></div>	<div></div>	

Name:	Date:	Signed:
<div></div>	<div></div>	<div></div>
Capacity:	Company:	
<div></div>	<div></div>	

APPENDIX 1 – NON-EMPLOYED AND CORPORATE AUTHORISED REPRESENTATIVES

After enquiry

Please note that should fee income disclosed below for any one Individual or Corporation exceed 25% of the Proposer's Gross Income declared in Question 9, a separate proposal form may be required.

Name of Corporation or Individual	Date Commenced as AR	Has the AR / CAR had any Claims in the past 10 years	Staff Numbers	Fee Income Past 12 Months Net of Commission or Fees Paid to Licence Holder / Proposer
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$

1. Please provide details of measures in place to monitor the compliance of Non-Employed and Corporate Authorised Representatives on an ongoing basis:

2. Are all Non-Employed and Corporate Authorised Representatives that do not utilize the License Holder's office as their principal place of work, subject to regular and surprise audits?

☐ Yes ☐ No If Yes, please provide full details such as frequency and scope:

3. Briefly describe any qualifications and/or experience of each entity or individual listed that is relevant to this application

4. Please list any professional qualifications of which this entity/individual is a current financial member

5. In the last 10 years has there been any professional indemnity claim against the entity/individual listed above?

☐ Yes ☐ No

6. Has the entity/individual listed above ever been the subject of a disciplinary inquiry, proceeding or investigation alleging professional misconduct?

☐ Yes ☐ No

If "Yes", please provide full details using a separate attachment including dates, the nature of the allegations and any amounts paid for any compensation, defence costs, fines or penalties.

7. Is any entity/individual listed above aware of any facts which might give rise to a professional indemnity claim being made against them?

☐ Yes ☐ No

If "Yes", please provide full details using a separate attachment.

DECLARATION

We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the Proposer. After full enquiry, We also confirm that We have disclosed all information and material facts that may alter the Underwriters' view of the risk, or affect their assessment of the exposures they are covering under the policy. We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

I/We acknowledge that we have read and understood the content of the Important Notice contained in this proposal.

This proposal must be signed by a senior owner, Partner, Officer or Director of the company and at least one other Officer authorised to sign on behalf of the company.

Name:	Date:	Signed:
<input type="text"/>	<input type="text"/>	<div><input type="text"/></div> <div></div>
Capacity:	Company:	
<input type="text"/>	<input type="text"/>	

Name:	Date:	Signed:
<input type="text"/>	<input type="text"/>	<div><input type="text"/></div> <div></div>
Capacity:	Company:	
<input type="text"/>	<input type="text"/>	

APPENDIX 2 - STOCKBROKERS

Authorised Representatives

1. a) Please advise the number of authorised representatives:

b) Do the Proposers plan to increase this number in the next 12 months?

☐ Yes ☐ No

If "Yes", by how many?

c) Are the authorised representatives the Proposers' employees or independent contractors?

d) Are authorised representatives to be insured under this policy?

If "No", how do the Proposers check that each authorised representative has a current Professional Indemnity policy?

Margin Lending

2. Do the Proposers give advice on margin lending?

☐ Yes ☐ No

3. What percentage of the Proposers' client base uses this strategy?

 %

4. What is the maximum LVR used?

5. Do the Proposers always provide written advice disclosing the risks of this strategy?

☐ Yes ☐ No

6. Do the Proposers offer taxation advice regarding margin lending?

☐ Yes ☐ No

7. Do the Proposers have a margin lending facility?

☐ Yes ☐ No

If "Yes", is this done via a facility with another financial institution or are the Proposers the principal lender?

8. Does the investor retain beneficial ownership of the stock purchased?

☐ Yes ☐ No

If "No", is this specifically highlighted to the investor at the time the contract is entered into?

☐ Yes ☐ No

9. Do the Proposers engage in stock lending activities?

☐ Yes ☐ No

10. If acting as underwriter do the Proposers sell stock held on their own account to clients?

☐ Yes ☐ No

If "Yes", do the Proposers always disclose this position to their clients?

☐ Yes ☐ No

11. What percentage of the Proposers' client base are:

Retail clients	%
High net worth individuals	%
Self managed superannuation funds	%
Other – please specify	%
Total	%

Market Participant

12. Are you an ASX market Participant?

☐ Yes ☐ No

If "No", who undertakes clearing/settlement services?

Managed Discretionary Accounts

13. Do the Proposers operate any managed discretionary accounts?

☐ Yes ☐ No

If "Yes", how many and what is the amount of funds under management or advice?

14. How do the Proposers ensure that the mandates for these accounts are not breached?

15. Do the Proposers obtain external advice regarding stock selection?

☐ Yes ☐ No

If "Yes", please provide details.

Average Trading

16. What was the average trade over the past 12 months?

17. What was the annual trade volume over the past 12 months?

Compliance Management

18. How many staff are in the compliance department?

19. Are random audits conducted?

☐ Yes ☐ No

If "Yes", how often?

20. Are trading transactions and positions reviewed daily for compliance with trading policies?

☐ Yes ☐ No

21. Is there a system in place which will identify trades which exceed set limits?

☐ Yes ☐ No

a) If "Yes", is this monitored on a daily basis?

☐ Yes ☐ No

b) If "No", how is this exposure managed?

Declaration

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all person(s) or entities seeking insurance, to sign the addendum;
- that after enquiry, all information supplied in this addendum, is true and correct and that until a Contract of Insurance is entered into, I am obliged to inform Underwriters of any changes to any information supplied or of any new information that is relevant;
- that I understand Underwriters relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that I understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers' acceptance of an offer by Underwriters, if any.

Signed:

SIGN

Dated

Print Name:

Title:

Company

Signed:

SIGN

Dated

Print Name:

Title:

Company

APPENDIX 3 – LENDING INSTITUTIONS

1. Please provide by attachment CVs of key lending personnel & any investment or lending committee.

2. From where are loan funds sourced:

a) Shareholders?

☐ Yes ☐ No

b) Managed funds?

☐ Yes ☐ No

If "Yes", please provide by attachment a copy of the PDS or similar document issued to investors.

c) External financial institutions? If "Yes", please provide the following details:

☐ Yes ☐ No

i) Which institutions:

ii) The size of the facility:

iii) The expiry date of the facility agreement:

d) Other, please provide details.

3. Is any gearing utilised as a source of loan funds?

☐ Yes ☐ No

If "Yes", please provide details.

4. Do the Proposers operate under a delegated lending authority?

☐ Yes ☐ No

If "Yes", please provide by attachment, a copy of the agreement.

5. When was the latest audit by a third party relating to delegated lending authority breaches carried out and what were the findings of such audit?

6. Have all recommendations from the audit been carried out?

☐ Yes ☐ No

If "No", please provide details as to why this has not been done.

7. Please outline the loan approval process & authority levels within the organisation:

8. Is dual authorisation required on all loans?

☐ Yes ☐ No

9. Please provide by attachment a copy of the Proposer's Lending Manual and advise the following:

a) Maximum LVR

b) Average LVR

c) Maximum loan amount

d) Average loan amount

10. In relation to the Loan Property Valuation policy, please advise:

a) Who performs the property valuations?

b) Do the Proposers have an external panel of valuers?

c) Do the Proposers require valuations to be less than three months old?

☐ Yes ☐ No

If "No", then what is the age threshold required?

d) Do the Proposers accept Kerbside or Restricted Access Valuations?

☐ Yes ☐ No

11. Is mortgage insurance always purchased above a set LVR?

☐ Yes ☐ No ☐ Not Applicable

12. Please provide a breakdown of loan by type:

(a) Residential Property	%	(e) Construction / Development	%
(b) Commercial Property	%	(f) Business Loans	%
(c) Industrial Property	%	(g) Personal Loans	%
(d) Land Only	%	(h) Other	%

13. Please provide a breakdown on the type of loans provided:

a) First mortgage	100 %
b) Second mortgage / mezzanine	%
c) Bridging finance	%
d) No deposit	%
e) Low doc	%

14. Please provide a breakdown on the location of the loan portfolio:

QLD	%	ACT	%	TAS	%	NSW	%
NT	%	VIC	%	WA	%		

15. Please provide a breakdown on when loans are due:

a) < 30 days	%	b) Within 6 months	%	c) Within 12 months	%
d) 12-24 months	%	e) 2-5 years	%	f) > 5 years	%

16. What percentage of loans are in arrears?

17. Please outline the process in place for dealing with arrears:

18. What audit & review processes are in place on loans approved?

19. What are the processes & controls around transfer of loan funds?

20. Please provide the total amount of the Firm's gross income/fees for the following periods:

Last Financial Year:

a) Interest revenue:	\$
b) Other revenue – please specify:	\$

Current Financial Year (Estimated)

a) Interest revenue:	\$
b) Other revenue – please specify:	\$

Declaration

We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the Proposer. After full enquiry, I/We also confirm that We have disclosed all information and material facts that may alter the Underwriters’ view of the risk, or affect their assessment of the exposures they are covering under the policy. We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

We acknowledge that we have read and understood the content of the Important Notice contained in this proposal.

Name:

Date:

Signed:

SIGN

Position:

Company:

APPENDIX 4 – FINANCIAL ADVISERS

1. ACTIVITIES

Please provide the percentage breakdown of your gross income between the following activities:

a. Estate Planning:	%
b. Financial Advice:	%
c. Portfolio Management:	%
d. Discretionary Portfolio Management	%
e. Life Insurance Broking:	%
f. General Insurance Broking:	%
g. Mortgage Broking / Finance Broking:	%
h. Superannuation Administration for Self-Managed Funds:	%
i. Superannuation Administration for Regulated Funds:	%
j. Accounting and / or Tax Advice:	%
k. Other (please specify):	%

2. FEES

What percentage of fees are earned on a set FEE FOR SERVICE basis:

	%
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3. BREAKDOWN

Please advise the percentage of clients investments according to the following breakdown:

a. Australian Equities on a Direct Basis:	%
b. Australian Equities via a Managed Fund:	%
c. International Equities via a Managed Fund:	%
d. International Equities on a Direct Basis:	%
e. Property Trusts via a Managed Fund:	%
f. Property Trusts on a Direct Basis:	%
g. Fixed Interest Securities and / or Cash:	%
h. Margin Lending via a Managed Fund:	%
i. Margin Lending on a Direct Equity Basis:	%
j. Derivatives:	%
k. Mortgage Backed Securities / Debentures:	%
l. Managed Investment Schemes Exempted by ASIC:	%
m. Managed Investment Schemes:	%
n. Hedge Funds:	%
o. Agricultural & Tax Effective Schemes:	%
p. Other (please specify):	%

4. DIRECTORS

Please advise the following details in respect of your principals or directors:

Name	Age	Professional Qualifications	Date Qualified	Date Appointed

5. INVESTMENT PRODUCTS

Please provide details of the top 5 investment products utilised:

Investment Product	Investment Type	Commission Rate	Rate of Return
		%	%
		%	%
		%	%
		%	%
		%	%

a. Do any of these Institutions have a proprietary interest in your business?

☐ Yes ☐ No

If Yes please provide full details and confirm this is fully disclosed to all clients where applicable:

b. Do you have a financial or proprietary interest in any of the institutions listed above?

☐ Yes ☐ No

If Yes please provide full details and confirm this is fully disclosed to all clients where applicable:

6. CLIENT BASE

Please provided details of Client base:

Funds Under Management by Client	Number of Clients	FUM AUD\$
\$0-\$250,000		AUD \$
\$250,001 - \$500,000		AUD \$
\$500,001 - \$1,000,000		AUD \$
Over \$1,000,000		AUD \$
Over \$5,000,000		AUD \$
TOTAL		AUD \$

7. CLIENT TYPE

Please provide details of Client Type:

Client Type	Number of Clients	FUM AUD\$
First-time Investor		AUD \$
High Net-Worth Individual		AUD \$
Young Professionals		AUD \$
Aged 45 Years and Over		AUD \$
Investors approaching Retirement		AUD \$
Retirees		AUD \$
Other (Please Specify):		
		AUD \$
		AUD \$
		AUD \$
TOTAL		AUD \$

8. MARGIN LENDING

a. Do you provide clients with the current PDS for each funding provider when recommending Margin Lending products?

☐ Yes ☐ No

b. Do you provide taxation advice on the implications of Margin Lending?

☐ Yes ☐ No

c. Do any of your Margin Loans have an LVR of more than 50%?

☐ Yes ☐ No

If Yes, please advise maximum LVR recommended and confirm total number of clients exceeding this threshold:

d. When recommending a gearing strategy to your clients do you utilise:

Equity Home Loans:	Margin Loans:	Combination Loans:	Reverse Mortgages:
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

e. Please list the margin lending facilities utilised:

9. DISCRETIONARY PORTFOLIO MANAGEMENT

a. Are you involved in client portfolio management on a discretionary basis?

☐ Yes ☐ No

If Yes, please confirm you have the relevant extension to AFSL, unless outsourced:

b. Confirm split of client profile:

Wholesale %	Retail %
<input type="text"/>	<input type="text"/>

c. Do you have an Approved Product List?

☐ Yes ☐ No

d. Is commission paid on percentage of Funds under Administration or on a per transaction basis?

Please provide details:

10. RISK MANAGEMENT / DISCLAIMERS

a. Do you conduct a risk appraisal / needs analysis for all financial planning / portfolio management clients?

☐ Yes ☐ No

b. Do you present a written plan for client agreement and keep a copy of signed agreement on file?

☐ Yes ☐ No

c. Do all clients receive a Statement of Advice?

☐ Yes ☐ No

If No, please explain further:

d. Do all clients receive a Product Disclosure Statement for ALL Investment Products recommended”?

☐ Yes ☐ No

If No, please explain further:

e. Do you provide any disclaimers on your documentation in relation to high risk investments?

☐ Yes ☐ No

f. Are Independent Research House reports (if applicable) obtained in relation to Property Trusts you recommend to clients?

☐ Yes ☐ No ☐ Not Applicable

g. Are all clients advised when a product they are invested in is removed from the Approved Product Listing?

☐ Yes ☐ No

If Yes, how is this communicated:

h. Do you conduct random audits on your client’s existing portfolio?

☐ Yes ☐ No

i. Who conducts audits on your client’s portfolio?

j. How often do you conduct reviews on client’s portfolio?

11. TAX ADVICE

18. Please confirm that any tax (financial) advice provided is general and non-specific advice on the broad tax treatment of investments or products only:

☐ Yes ☐ No

If No, please provide full details to advice given:

12. DECLARATION

Other Material Facts

Note: If there is any doubt as to what constitutes a material fact it should be declared. ALL the information requested in this proposal is material.

Are there any other material facts regarding the risk which should be disclosed to Underwriters for their consideration?

☐ Yes ☐ No

☐ Attach a separate sheet if necessary

If Yes, please provide a detailed explanation:

DECLARATION

We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the **Proposer**. After full enquiry, I/We also confirm that We have disclosed all information and material facts that may alter the Underwriters' view of the risk, or affect their assessment of the exposures they are covering under the policy. We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

We acknowledge that we have read and understood the content of the **Important Notice** contained in this proposal.

Name:

Date:

Signed:

SIGN 

POSITION:

Company:

APPENDIX 5 – CORPORATE ADVISERS

1. Approximately what proportion of fees are retainers versus success/performance fees?

Fees:	Performance:
<input type="text" value="AUD\$"/>	<input type="text" value="AUD\$"/>

2. Percentage Gross Revenue income split among investment banking operations:

	% Gross Revenue Australia / New Zealand	% Gross Revenue USA
Underwriting	%	%
M&A / Corporate Advisory	%	%
Debt / Equity – new issuance	%	%
Debt / Equity – secondary issuance	%	%
Debt Capital Raising	%	%
Strategic Analysis	%	%
Divestitures	%	%
Company / Asset Valuation	%	%
Corporate Finance / Structured Finance	%	%
Other (please specify):	%	%
Other (please specify):	%	%
Total	%	%

3. Details of industry sectors served and approximate percentage of gross revenue from investment banking (e.g. Pharmaceutical, Telecoms, etc.)

Industry Sector	Percentage

4. Average fee income any one client:

5. Largest fee income any one client:

6. Average value any one transaction:

7. Are Equity positions ever taken in lieu of a fee / as part of a fee?

☐ Yes ☐ No If Yes please give examples:

8. Average number of transactions in any one year:

9. Number of failed/incomplete transactions in the last year:

Please provide full details of any failed/incomplete transactions over the last 12 months: (Attach a separate sheet if necessary ☐)

10. Does the Proposer utilise sub-underwriting when participating?

☐ **Yes** ☐ **No** If Yes, please confirm under what circumstances:

11. What are the Proposer's procedures to ensure financial ability of buyers represented in M&A transactions?

12. Please describe the Proposer's Chinese Walls procedures ensuring that clients' sensitive information is ring-fenced from parties outside of a transaction?

13. Please provide details of what procedures are in place to ring fence sensitive information and to ensure no conflict of interests with other areas of the Proposer's organisation?

14. Does the proposer issue pre-issuance / prospectus research reports?

☐ **Yes** ☐ **No** If Yes, please provide comment on (a) – (d) below:

a. How does the proposer ensure that these documents are not viewed collectively by a prospective user in forming their investment decision and confidentiality is maintained?

b. The standard black-out period:

c. The risk disclosures presented:

d. Procedures in place to ensure the accuracy and completeness of the same:

15. Does the Proposer have any material regulatory recommendations outstanding or not implemented at present?

☐ **Yes** ☐ **No** If Yes, please provide details:

16. In the past five years has any client and/or other third party made a written complaint to the applicant or to any regulatory body or commenced any civil proceeding in connection with any transaction?

☐ **Yes** ☐ **No** If Yes, please provide details:

17. Has the Proposer or any director, officer, partner or trustee:

a. Been charged in any civil or criminal action or administrative or regulatory proceeding with a violation of any securities law or regulation?

☐ **Yes** ☐ **No** If Yes, please provide full details:

b. Been charged in connection with any action or administrative or regulatory proceedings regarding 'laddering' or 'spinning' or 'conflicts of interest' or other?

☐ Yes ☐ No If Yes, please provide full details:

18. Has there been or is there now pending any claims against any person or entity proposed for insurance alleging, arising out of, or in connection with an investment banking transaction?

☐ Yes ☐ No If Yes, please provide full details:

DECLARATION

Other Material Facts

Note: If there is any doubt as to what constitutes a material fact it should be declared. ALL the information requested in this proposal is material.

Are there any other material facts regarding the risk which should be disclosed to Underwriters for their consideration?

☐ Yes ☐ No If Yes, please provide a detailed explanation:

Declaration:

We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the Proposer. After full enquiry, I/We also confirm that We have disclosed all information and material facts that may alter the Underwriters' view of the risk, or affect their assessment of the exposures they are covering under the policy. We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

We acknowledge that we have read and understood the content of the Important Notice contained in this proposal.

This Proposal must be signed by a senior owner, Partner, Officer or Director of the Company and at least one other Officer authorised to sign on behalf of the company.

Name:		Date:		Signed:	
Capacity:		Company:			

SIGN 