



**DIRECTORS' & OFFICERS' LIABILITY INSURANCE
PROPOSAL FORM**

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IMPORTANT - Before completing this proposal form you should be aware that we are unable to provide Directors & Officers Liability cover for USA/Canada exposures. Consequently, any quotation which we offer will include a 'USA/Canada exclusion'.

This proposal form must be completed in black ink by a person authorised by the Board of Directors of the Company. All questions must be answered to enable a quotation to be given, but the completion and signature of this proposal does not bind you or the Underwriters to enter into a Contract of Insurance. If there is insufficient space to answer any question fully, please use the additional space provided on page 7 and/or attach a signed and dated continuation sheet.

PLEASE TYPE OR CLEARLY PRINT YOUR ANSWERS IN BLACK INK TO ASSIST THE UNDERWRITERS' CONSIDERATION OF THE PROPOSAL

Section 1 – Your Company and Staff

a) Name and registered address of Company:

| |
|------------------|
| Website Address: |
|------------------|

b) Company Registration No:

c) Date from which the Company has continually carried on business?

d) Trading addresses of all offices:

| Address | Name of Director/Officer responsible |
|--|--------------------------------------|
| Principal office (if different from above) | |
| Second location (if any) | |
| Third location (if any) | |

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e) Please provide details of all Directors and/or Officers:

| Name | Age | Date of appointment |
|------|-----|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

f) Do any of the Directors or Officers detailed in answer to question e) require cover in respect of appointments to outside companies? **YES / NO**

If 'YES', please provide full details below:

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|--|
| |
|--|

g) Please provide details of approximate staff numbers (excluding those shown in answer to **Section 1e**) for the current financial year:

| | UK | USA/Canada | Elsewhere |
|----------------------------|----|------------|-----------|
| Full time employees | | | |
| Part time employees | | | |
| Seasonal employees | | | |

h) During the last 5 years:

- i) has any acquisition or merger taken place? **YES / NO**
- ii) has any subsidiary company been sold or ceased trading? **YES / NO**
- iii) has the capital structure of the Company changed? **YES / NO**
- iv) has the Company any acquisition, tender offer or merger pending or under consideration? **YES / NO**
- v) is the Company aware of any proposal relating to its acquisition by another company? **YES / NO**

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- vi) is the Company intending to make a new private or public offering of securities within the next 12 months? **YES / NO**

If 'YES' to any of **h)**, please provide full details below:

| |
|--|
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|--|

- i)** Is the Company:
- i) Private Public A registered charity
- ii) Listed on any UK Stock Exchange? **YES / NO**
- iii) Listed on the Unlisted Securities Market? **YES / NO**
- iv) Listed on any foreign stock exchanges? **YES / NO**
- v) Traded in any other way? **YES / NO**

If 'YES', to any of **i)** please provide full details below:

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|--|
| |
|--|

- j)** Please provide details of the Company's share capital:

| | |
|--|--|
| Number of Ordinary Shares issued | |
| Number of Ordinary Shareholders | |
| Number of Ordinary Shares owned (whether directly or beneficially) by directors | |
| Number of Ordinary Shares owned (whether directly or beneficially) by officers who are not directors | |

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k) Does any shareholder own more than 15% of the issued shares? **YES / NO**

If 'YES', please provide full details below:

l) Has the Company changed its external auditor in the past 5 years or have plans to do so within the next 12 months? **YES / NO**

m) Has the Company ever restated its financial results? **YES / NO**

n) Does the Company anticipate having to take a significant one-time charge to earnings, or a restatement of earnings, within the next 12 months? **YES / NO**

If 'YES' to any of **l)** to **n)**, please provide full details below:

o) Have all revenue recognition practices been approved by your external auditor? **YES / NO**

If 'NO', please provide full details below:

p) Is the Company either currently implementing, or considering implementing, any employee redundancy or early retirement programme? **YES / NO**

If 'YES', please provide full details below:

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Section 2 – Companies with whom you are associated

a) Is the Company a subsidiary of another company? YES / NO

If 'YES', please continue with question b), if 'NO' proceed to question d)

b)

| Name of Parent Company | Registered Address |
|------------------------|--------------------|
| | |

c) During the last 5 years, has:

i) the name of your parent company changed? YES / NO

ii) the capital structure of your parent company changed? YES / NO

If 'YES', please provide full details below:

| |
|--|
| |
|--|

d) Has the Company acquired or disposed of any subsidiary companies since the date of the last Report and Accounts now supplied to us? YES / NO

If 'YES', please provide details:

| Name of company | Country of registration | % of voting shares held | Date of acquisition/di sposal |
|-----------------|-------------------------|-------------------------|-------------------------------|
| | | | |
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| | | | |

Section 3 – The Company's activities

a) Please provide a full and clear description of the Company's activities:

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- b) Please state the Company's gross income/turnover for your last complete financial year emanating from each of the following geographical areas:

| Year | UK | USA & Canada | Elsewhere | Total |
|-------------------------------------|----|--------------|-----------|-------|
| 200 to | | | | |
| Financial Year Ending (e.g. 31/12): | | / | | |

- c) Do you require cover for claims made in the USA or Canada, or claims made elsewhere arising out of the Company's operations in the USA or Canada? YES / NO

If 'YES', you should be aware that any quotation we offer will include a 'USA/Canada exclusion'.

Section 4 – Your Directors & Officers Liability Insurance arrangements

- a) Please provide details of your current Directors & Officers Liability Insurance. **You need not answer this question if you are currently insured with us.**

If you are not currently insured, please state 'Not Insured' and complete Q4c).

| Insurer | Renewal Date | Limit of Indemnity | Premium (excl IPT) | Excess | Retroactive Date |
|---------|--------------|--------------------|--------------------|--------|------------------|
| | | | | | |

- b) For how long have you been continuously insured? Years

- c) If the Company is not currently insured, has it held Directors & Officers Liability Insurance previously? YES / NO

If 'YES', please give details below:

| Insurer | Limit of Indemnity | Date Policy expired |
|---------|--------------------|---------------------|
| | | |

- d) In respect of Directors & Officers Liability Insurance, has any Insurer ever:
- i) declined to offer Insurance to the Company? YES / NO
 - ii) increased premiums or imposed any special terms? YES / NO
 - iii) cancelled or voided your Insurance? YES / NO
- e) Are you able to confirm that no Director or Officer has been convicted, or charged but not yet tried, of any criminal offence other than a motoring offence? YES / NO

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If you have answered 'YES' to any part of **d)** or **e)**, please provide full details below:

f) What Limit of Indemnity do you now require? Please indicate by ticking the box(es) below:

£100,000 £250,000 £500,000 £1,000,000

Other Please state

Section 5 – The Company's claims history

CLAIMS- PLEASE NOTE IT IS IMPERATIVE TO ANSWER THESE QUESTIONS CORRECTLY -FAILURE TO DO SO COULD PREJUDICE YOUR RIGHTS - IF SPACE IS INSUFFICIENT PLEASE ATTACH A SIGNED AND DATED CONTINUATION SHEET TO ENABLE YOU TO PROVIDE FULL DETAILS.

- a) Have any claims ever been made against any past or current Director, Officer or employee of the Company or its subsidiaries? **YES / NO**
- b) After enquiry, is any Director or Officer aware of any circumstances which might:-
- i) give rise to a claim against the Company or any Director, Officer or employee? **YES / NO**
 - ii) otherwise affect our consideration of this Insurance? **YES / NO**

If you have answered 'YES' to either of these claims questions please use the space overleaf to provide full details including dates, amounts involved, brief details of the nature of the claim, whether the claim is paid or still outstanding and state the steps taken to prevent a reoccurrence.

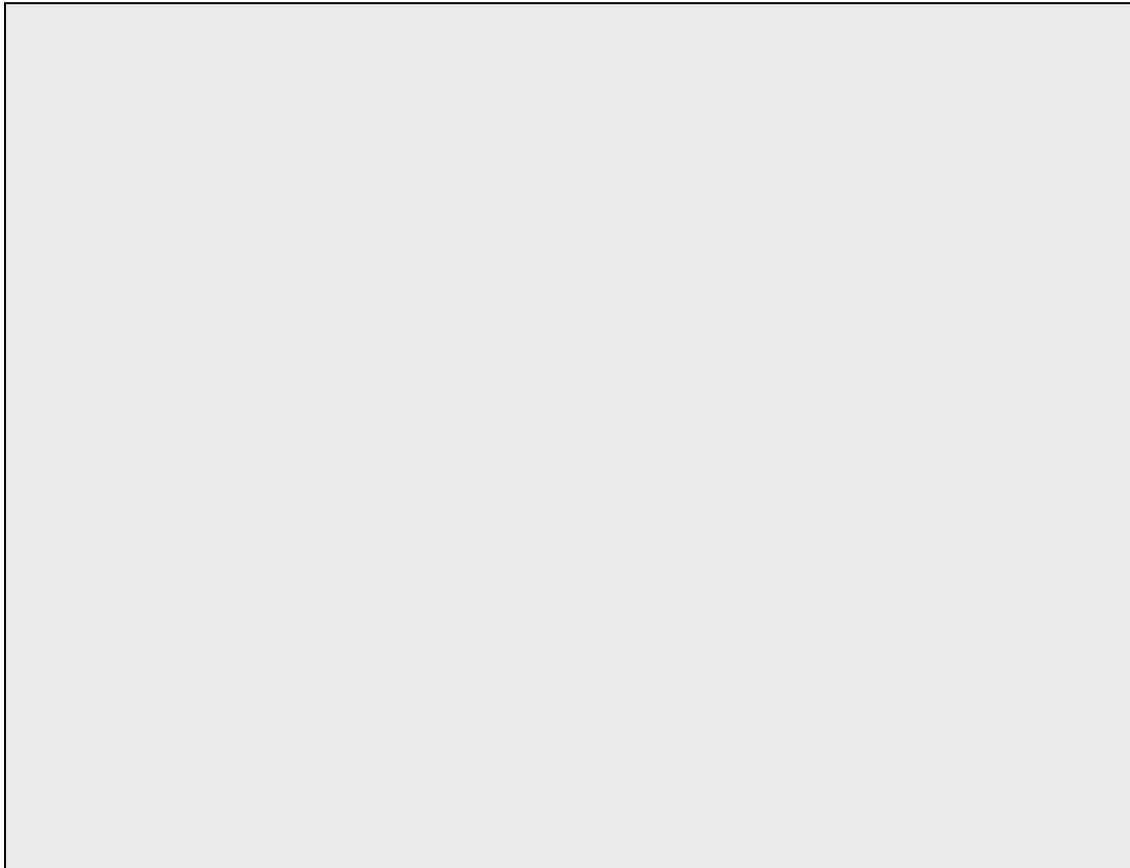
Additional Claims' Information

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Additional Information

Please use this space to provide additional information in support of the answers given within the proposal form or simply to provide further details about you or your activities which you feel would be of interest to us.

Please clearly show the question number to which the information relates.



IMPORTANT NOTICE CONCERNING DISCLOSURE

It is your duty to disclose all material facts to Underwriters. A material fact is one which may influence an Underwriter's judgement in the consideration of your proposal. If your proposal is a renewal, it is likely that any change in facts previously advised to Underwriters will be material and such changes should be highlighted. If you are in any doubt as to whether a fact is material you should disclose it.

FAILURE TO DISCLOSE could prejudice your rights to recover in the event of a claim or allow Underwriters to void the policy.

Declaration

I hereby declare that I have been authorised by the Board of Directors to complete this proposal form on behalf of the Company and that after enquiry and to the best of my knowledge and belief, the statements and particulars detailed in the proposal form are true and complete and that no material facts have been misstated or suppressed

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I undertake to inform the Insurer of any material alteration or addition to these facts occurring before completion of the contract of insurance.

I also acknowledge that this proposal form (together with any other information supplied) shall be the basis of the contract.

| | |
|------------------------|-------|
| Signature | _____ |
| Date | _____ |
| Please print your name | _____ |
| Position | _____ |

We recommend that you keep a record, including copies of letters and this proposal form, of all information supplied to us for the purpose of entering into this insurance contract. Please let us know if you would like a copy of this proposal form sent to you.

Documents required in support of this proposal

Please remember to enclose:

1. a copy of your last two years audited Annual Report and Accounts
2. the latest interim statement (if applicable)
3. a copy of the Directors and Officers' indemnity clause extracted from the Company's Articles of Association
4. a copy of the share offer document, if any share issue has taken place in the past twelve months
5. for new companies or 'buyouts' – a copy of the Business plan and other supporting documentation