

## PROPOSAL FORM

### BANKERS BLANKET BOND

**Please Note**

1. Please answer **ALL** questions in full. If there is insufficient spaces on the form please continue on the company letterhead.
2. The latest audited Financial Statements / Annual Report / Interim Report **MUST** be attached.
3. This form may be used for new applications or new renewals. In the case of renewals, the underwriters **MUST** receive a completed, signed and dated proposal form, financials/reports, and acceptance of renewal terms prior to renewal date, failing which, no cover exists after said date.
4. It is the intention of underwriters that any Contract of Insurance with the Proposer shall be based upon the information provided in this Proposal Form as well as any attachments included. If a quotation is offered, it will be the intention of the underwriters to offer cover **ONLY** in respect of the entities named under Particulars of Proposer.

NB: (No insurance is in force until the Proposal has been accepted by the Company and the premium paid, except as provided by an official Covering Note issued by the Company)

If SKYBRIDGE RE agrees to issue a bond or electronic computer crime policy, all of the information, which the company provides, will become part of and shall form the basis of any bond issued to the Company by Skybridge Reinsurance Brokers.

**A. PARTICULARS OF THE PROPOSER**

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<b>Name Of Proposer</b>	.....
<b>Principal Address</b>	.....
<b>Postal Address</b>	.....
<b>Contact Person</b>	.....
<b>Phone Number</b>	.....
<b>Fax Number</b>	.....
<b>Cell Number</b>	.....
<b>E-Mail Address</b>	.....
<b>Website</b>	.....
<b>Type Of Organisation</b>	.....
<b>VAT Number</b>	.....
<b>Date Established</b>	.....
<b>Principal Activities</b>	.....

Please complete the Schedule of the proposed Company and Subsidiaries to be insured, as attached.

What are the Company and its Subsidiaries total number of:

	Employees	Locations
a. Head Office		
Branches		
Data Processing Centres		
Admin. Centres		
b. Automated Teller Machines		

Does the Company intend to offer any new services during the next 12 months?  Yes  No

If Yes, please provide details.  
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Has the Company been acquired by another entity, merged with or acquired any other business or entity during the past 5 years?  Yes  No

If Yes, provide, on a separate sheet, full details.

**B. AUDITING & COMPLIANCE PRACTICES**

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**Internal Audit**

1. Is there an Internal Audit Department that is separate from the auditing services provided by an external auditor?  Yes  No

If Yes:

a. How many people are employed in the Internal Audit Department?

b. Have they been trained to fulfil this function?  Yes  No

c. Are the personnel responsible for auditing free of all other operational responsibilities and forbidden to originate entries?  Yes  No

d. Is there a formal written internal audit program that includes the computer centres and facilities?  Yes  No

e. Does the Internal Audit Department conduct a periodic surprise audit of internal control systems at all locations?  Yes  No

f. Is the internal audit department independent of any other function?  Yes  No

g. Does the Internal Auditor report directly to the Audit Committee of the Board of Directors?  Yes  No

2. Do you have procedures in place to monitor the implement of recommendations made by the internal audit department?  Yes  No

If No, please explain.  
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3. How often are full internal audits conducted?

**External Audit**

4. State the name of the external auditors who fully audit your accounts.

5. How often are full external audits conducted?

6. Does the audit include all offices and branches, including Data Processing offices? Yes No  
 If no, what form does the audit take?  
 .....
7. 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
8. Has the firm rendered an unqualified opinion for each of the last 5 years? Yes No
9. Has there been any change in the firm used by the Company in the last 5 years? If Yes, please explain. Yes No  
 If **Yes**, please explain.  
 .....
10. Has the Company complied with all recommendations made as a result of its most recent audit? Yes No  
 If No, have you adopted alternative arrangements to the satisfaction of your auditor? Yes No
11. Are all entities subject to the same external audits and applicable internal controls, procedures and appropriate physical security standards? If No, please provide full details. Yes No

### C. ORGANISATION PROCEDURES

1. Does the Company currently maintain a manual containing the following?  
 a) Written instructions or operations manual on all aspects of our business that defined the duties of each employee? Yes No  
 b) Security procedures? Yes No  
 c) Written Asset/Liability Management policy? Yes No  
 d) Written Treasury Management policy? Yes No  
 e) Annual reporting and review of outside business interests of all Directors and Officers? Yes No  
 f) A standard procedure for investigating and verifying employees prior to their employment? Yes No
2. Are the accounts of Directors and Employees reviewed regularly for unusual activity? Yes No  
 If Yes, by whom?  
 .....
3. Are all employees required to take an uninterrupted, two-week holiday each calendar year? Yes No
4. Are new employees required to attend a training programme? Yes No
5. Are the duties of each employee arranged to prevent any one employee from controlling any transaction from commencement to completion? Yes No
6. Are unannounced and irregular change made in the position of employees within a particular job strata? Yes No
7. a. Is joint custody maintained for the safeguarding of:  
 i) Access to property in safes or vaults? Yes No  
 ii) Codes, ciphers and test keys? Yes No  
 iii) Data processing memory storage facilities (tapes, files, discs, etc.)? Yes No

- b. Is dual control maintained for the handling of:
  - i) All types of securities, negotiable and non-negotiable instruments, loan collateral unissued and blank forms of said items? Yes No
  - ii) The reserve supply of official cheques and unissued travellers cheques? Yes No
- 8. Is there a Chief Security Officer? Yes No
  - If Yes:
    - a. Is the Chief Security Officer responsible for the development and administration of a comprehensive security program for the Company? Yes No
    - b. Does he report directly to the Managing Director and the Board of Directors? Yes No
    - c. Is there a schedule for inspecting and testing all security devices? Yes No
    - d. Are all branches formally inspected regularly? Yes No

**D. ACCOUNT MAINTENANCE**

1. When is a cheque or savings account considered dormant/inactive?

2. How are dormant/inactive cheque and savings accounts segregated and controlled?

3. State the maximum amount a teller is authorised to pay in cash in exchange for a withdrawal request or a cheque drawn on the bank:

- a) Without approval of an officer  
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- b) With approval of an officer  
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4. Do you permit cashing of cheques or withdrawals against uncollected funds?

Yes No

If Yes, please describe circumstances and for what maximum amounts.

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5. Do you permit cashing of cheques draw upon other banks?

Yes No

If Yes, please describe circumstances and for what maximum amounts:

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**E. PHYSICAL SECURITY**

1)

State Maximum Value of	Bearer or Negotiable	Cash, Bullion, Precious Securities Stones and Similar Items
At: Head Office:		

Branches:		
Austraclear or Similar Clearing Houses:		
Other Locations;		

2)

State Maximum Amount of Cash and Bearer and Negotiable Securities in Transit at any one time:	By Armoured Motor Cash	Vehicle Securities	By Messenger(s) Cash	Securities
At: Head Office:				
Branches:				
Austraclear or Similar Clearing Houses:				
Other Locations;				

3) Describe the alarm systems for all locations, including surveillance and other security measures for safeguarding the physical premises of the Company.

4) Teller Positions:

- i) Can each teller activate a hidden alarm?  Yes  No
- ii) Is excess teller cash immediately transferred to the vault?  Yes  No
- iii) Is all teller cash transferred to the vault at the end of each working day?  Yes  No
- iv) Are tellers provided with 'bait' money?  Yes  No
- v) Are teller's cash drawers verified as to content on an unscheduled basis?  Yes  No

## F. LENDING PROCEDURES

1. Please provide your best estimates as respects forms of credit extended by the Company based on the total dollar volume and percentage of the Company's loan volume derived from each category.

	Volume (ZWL)	Percentage of Loans %
a. Commercial Loans and Overdrafts		
b. Residential Real Estate Loans		
c. Personal Loans		
d. Leasing		
e. Construction Loans		
f. Development Loans		
g. Credit Card Loans		
h. Foreign exchange dealing		
i. Funds Management		
j. Others, please specify		
Total		100%

2. Do you operate and maintain a loan policy manual? Yes No  
 If Yes, does it include:
- a. Individual lending limits? Yes No
  - b. Lending criteria? Yes No
  - c. Authority levels? Yes No
  - d. Collateral requirements and authentication procedures? Yes No

3. What is the highest individual amount of loan authority for officers who are not on the Loan Committee or on the Board of Directors?

4. Are the identities of all signatories independently verified for collateral agreements, loan authorisations, and notes?  
Yes No
5. Are all new and renewal loan applications and accompanying documents required to be signed in the presence of an officer?  
Yes No

If No, please explain what signature verification methods are used.

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6. Are data collateral involved with the granting of loans, including loan participations, always verified as genuine on new and renewal loans before funds are disbursed?  
Yes No
- If No, please explain what exceptions are made.

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7. Is substituted collateral always verified before original collateral is released? Yes No

8. Is negotiable collateral kept under dual control? Yes No

If Yes, please explain procedures.

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9. For the previous 2 years, indicate the amount of loans that are:

Date:	DD / MM / YYYY	DD / MM / YYYY
(a) 90 days or more past due:		
(b) Non accruals:		

10. Does the Board of Directors or a Loan Committee review all loans made?  
Yes No

If No, how is the loan review function accomplished?

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**G. FUNDS TRANSFER**

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1. Does the Company use or subscribe to any Electronic Funds Transfer Systems, which allow direct access by clients:

Yes No

a) to its data base?

Yes No

b) to execute a transfer of funds?

Yes

No

If so, please list each one including a brief description of the services offered; brief description of the system configuration; approximate number of clients.

2. (a) If the Company is involved in wire transfers of funds does it specify and define:

i) Authorised personnel?

Yes No

ii) Authorised personnel of correspondents and corporate customers?

Yes No

iii) Call-back procedures?

Yes No

iv) Transfer limits?

Yes No

(b) Please describe the method by which the Company secures fund transfer instructions through the use of passwords, encryption, testing, call back or other procedures.

(c) What form of control is used to protect the integrity of information or electronic data transmitted or received by the Company via electronic means? (Encryption, test keys, etc.).

(d) Are there independent individuals designated to review and reconcile all wire funds transfer

Yes No

transactions at the end of each day?

3. Does the Company clear debits and credits electronically through an automated clearing house or association?

If Yes, please list each clearing system.

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**H. ELECTRONIC AND COMPUTER CRIME**

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**Date Processing**

4. Please provide a general description of the services performed by the Company's data processing operations.

5. Does the Company provide any of these services for any correspondent bank or other financial institution?

If Yes, please state the bank or financial institution.

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6. List the approximate percentage of data processing performed according to the following source categories:

a) In house operations:

b) Arrangement with joint venture:

c) Arrangement with service vendor:

7. Are the data processing centres physically separated from other departments?

Yes No

Please describe the nature of the physical operation?

8. Are programming and processing operations separated physically and as to personnel involved?

9. Are the data processing centres specifically protected by the following:  
Burglar Alarm



- Camera System Yes No
- Fire Suppression System Yes No
- Guards Yes No
- Access Control System: Yes No
- Other Methods: Yes No
- 10. Are there positive entry control procedures used to restrict the entry of non-  
authorised personnel into the Company's data processing centres? Yes No
  
- 11. Are the following entry control procedures utilised?
  - Mantrap entry System Yes No
  - Television recorder to a central guard area Yes No
  - Personal identification by shift supervisors Yes No
  - Minicomputer badge System Yes No
- 12. Is at least one file generation stored and secured off-site from the main data  
centre? Yes No  
If Yes, is it stored in a restricted area? Yes No
- 13. Are tape/disc libraries physically separated from other departments in a  
restricted area? Yes No

**Service Bureau or Facilities Manager Computer System**

- 14. Does the Company utilise any person, partnership or organisation to convert source Yes  
No

data to electronic data?

- i) The name of the bureau or facilities manager

- ii) The service provided.

- 15. Have all service bureaux/facilities managers been authorised by written Yes No  
agreement?

- 16. Does the Company require all service bureaux/facilities managers utilised to Yes No  
obtain separate fidelity insurance?

If Yes, for what minimum amount?

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- 17. Does the Company provide bureau facilities to others? If Yes, please provide full details.

**Input and System Access**

- 18. Are passwords used to afford varying levels of entry to the computer system Yes No  
depending upon the need and authorisation of the user?

- 19. Does the system enforce regular password changes? Yes No

If Yes, what frequency?

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If passwords are not utilised, describe the alternative methods used to protect access to the computer system.

20. Do the personnel inputting data either initial, sign or otherwise identify data they prepare?  Yes  No
21. Is the use of terminals restricted to authorised personnel only?  Yes  No
22. Are unique passwords used to identify each terminal?  Yes  No
23. Are terminals restricted to the type of message that can be sent or received from them?  Yes  No
24. Are log-on passwords, separate from an individual operator's password, used when logging into a terminal to provide verification of the terminal's identity?  Yes  No
25. Do you utilise any software security packages to control access to your computer system? If Yes, please specify packages used.  Yes  No
26. Do you use a software system to monitor telecommunications?  Yes  No
27. Is an exception log used which is regularly checked to verify the integrity of transactions?  Yes  No

### Independent Contractors

28. Does the Company use independent contractors to prepare electronic computer instructions?  Yes  No
29. Are written agreements obtained from the independent contractors outlining their responsibilities?  Yes  No
30. Does the Company require the independent contractors to obtain separate fidelity insurance?  Yes  No

If Yes, for what minimum amount?

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### Internet Facility/E-commerce

31. Do you provide an Internet facility?  Yes  No
- If Yes, do you offer:
- a. Product information?  Yes  No
- b. Account balances?  Yes  No
- c. Loan applications?  Yes  No
- d. Account transfers on a pre-authorised basis?  Yes  No
- e. Business/company account management facilities?  Yes  No
- f. Insurance products?  Yes  No

- g. on-line securities dealing? Yes  
No
  - h. other, please specify:  
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  - 32. Are there formal terms and conditions in place in place for the use of your Internet facility, which outline the obligations and responsibilities of the users? Yes  
No
  - 33. How is the identity of the user verified and authenticated?
    - a. password? Yes  
No
    - b. key encryption? Yes  
No
    - c. digital signature? Yes  
No
    - d. other, please specify:  
.....
  - 34. Are firewalls and/or comparable software used to authorise access to your internet facility? Yes  
No
  - 35. Do you monitor and produce reports on unauthorised access activity? Yes  
No
  - 36. Do you have fully tested disaster recovery and business continuity plan? Yes  
No
  - 37. Do you encrypt data whether in your internet facility or other computer system? Yes  
No
- If Yes, please provide details.  
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**I. DISCRETIONARY ACCOUNT MANAGEMENT**

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- 1. Does the Company undertake trust activities or discretionary account management? If so:
  - a) Are all clients' agreements reviewed annually? Yes No
  - b) Are all trust and/or discretionary transactions subject to the same procedures and review as the Company's own transactions? Yes No

If No, please describe:  
.....

- c) State:
  - i) The number of discretionary accounts  
.....
  - ii) The asset value of the largest managed account  
.....
  - d) How often are financial reports rendered to clients?

- e) Does the Applicant have an approved list of investments/securities that can  
Yes No  
 be recommended to clients?

### Fund or Investment Management

If you are involved in fund or investment management activities:

1. Does the Company currently maintain a manual containing a written investment policy? Yes No
2. Are trading transactions and positions reviewed for compliance with formal trading policies manual? Yes No
3. Are accounts of trades which exceed set limits identified or rectified or referred to senior management for immediate action? Yes No
4. Do counterparties receive authorised confirmation for all deals prior to settlement? Yes No
5. Are responsibilities for investment decisions segregated from accounting activities and custodial responsibilities? Yes No

### K. INSURANCE PROVIDER

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If you provide insurance services:

1. Do you have and maintain a formal underwriting manual for all classes of insurance?  
Yes No
2. What is the percentage of business production in the following areas:

Agents \_\_\_\_\_

Direct sales \_\_\_\_\_

Brokers \_\_\_\_\_

Other, please specify \_\_\_\_\_

3. Are payments made direct to you? Yes No
4. Is the responsibility for the claims department totally segregated from underwriting? Yes No
5. Are the claims reviewed and agreed by minimum of two authorized individuals before payment is made direct to the insured? Yes No

### L. LOSS EXPERIENCE

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Has the Company at any time during the past 5 years (whether insured or uninsured) had any potential or actual losses under its bond programme?

Yes No

If Yes, please provide, on a separate sheet, full details including but not limited to Date Discovered; Location; Nature of Loss; Amount of loss.

Please summarise on a separate sheet:

- 1) Any litigation/legal action settled within the past 3 years or now pending that is not listed in Question 1 immediately above; and/or,
- 2) Any action which the Company has reason to anticipate may be filed against it or any Director, Officer or Employee, which would be a subject.



**DECLARATION**

I/We declare that the above statements are true and complete.

At the present time, other than as stated above, I / We have no reason to anticipate any claim being brought against me/s that would constitute a claim under the insurance now being renewed or applied for.

I / We declare that in the event of this being a renewal of a policy, there have been no material alterations to the risk as submitted to the underwriter originally, and if a new application that all material facts have been disclosed.

I/We agree that this declaration shall form, together with the proposal form, the basis of the contract between me/us and the Insurers, and that I/We are properly authorised to sign this declaration.

**Full name:**

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**Capacity:**

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**Signature:**

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**Date:**

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