QBE PROFESSIONAL INDEMNITY
(For Financial Advisors)

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for Financial Advisors

PROFESSIONAL INDEMNITY PROPOSAL

A. NOTICE TO THE PROPOSED INSURED

1. Disclosure of Relevant Facts

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 which 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 us before you renew, extend, vary or reinstate a contract of insurance.

Warning: Statement pursuant to Section 149(4) of the Insurance Act 1996 (Act 553)

YOU ARE TO DISCLOSE IN THIS PROPOSAL FORM, FULLY AND FAITHFULLY, ALL THE FACTS WHICH YOU KNOW, OTHERWISE THE POLICY ISSUED HEREUNDER MAY BE VOID.

Comment

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (eg, claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer's consideration of your proposal.

2. Claims Made Policy

This proposal is for a "claims made" policy of insurance. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover. This policy does not provide cover in relation to:

• events that occurred prior to the retroactive date of the policy (if such a date is specified);
• claims made after the expiry of the period of cover even though the event giving rise to the claim may have occurred during the period of cover;
• claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
• claims made, threatened or intimated against you prior to the commencement of the period of cover;
• facts or circumstances of which you first became aware prior to the period of cover, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy;
• claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

However, where you give notice in writing to the insurer 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 period of cover, the policy will, subject to the terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover.

You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

3. Average Provision

Where the terms and conditions of the policy provides costs and expenses in addition to the limit of indemnity, if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of a claim, QBE’s liability for costs and expenses incurred with QBE’s consent shall be in such proportion thereof as the amount of indemnity available under the policy bears to the payment amount needed to dispose of the claim.

IMPORTANT

• Please answer ALL questions fully. If there is insufficient space, please provide details on your letterhead.
• Where provided, tick ✓ the appropriate box □ to indicate answer.
• The applicant will be referred to in this proposal as “You” or “Your”.

PIDPF000-Q-0510
B. DETAILS OF APPLICANT

1. Full name of all entities to be insured (including service, administrative or nominee companies and subsidiaries that you wish to be covered by this policy):

..........................................................................................................................................................

..........................................................................................................................................................

2. Your Principal Address:

..........................................................................................................................................................

..........................................................................................................................................................

3. Address(es) of branch offices or other locations.

..........................................................................................................................................................

..........................................................................................................................................................

4. Date on which your practice was established:

_____ / _____ / _____

C. MANAGEMENT AND PERSONNEL DETAILS

1. Please supply the following details.

<table>
<thead>
<tr>
<th>Names of Partners, Principals and Directors</th>
<th>Age</th>
<th>Qualifications</th>
<th>Date Qualified</th>
<th>Period Practicing as Partner, Principal or Director</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>This Previous</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Practice Practices</td>
</tr>
</tbody>
</table>

2. Please supply total numbers of:

   (a) Partners/principals/directors ............
   (b) Qualified staff .......................
   (c) Other technical staff .................
   (d) Trainee staff .........................
   (e) Non-technical administrative staff .........., (f) Clerical staff .........., (g) Other staff (please specify) ..........,

3. What is the total number of financial advisors who provide services on behalf of your firm? ............

4. Do you require the Policy to extend to cover such financial advisors? YES ☐ NO ☐

5. Does the Practice always require and obtain satisfactory references when engaging employees? YES ☐ NO ☐

*For Sole Proprietors Only - Questions C6 and C7*
6. State the experience of your assistants and their length of service.


7. What arrangements do you have to assist you during your temporary absence on business, leave, sickness, or unforeseen emergency?


D. DETAILS OF PRACTICE

1. 1.1 Has the name of your practice ever been changed? YES □ NO □

1.2 Has any other practice or business amalgamated or merged with your practice? YES □ NO □

1.3 Have you purchased any other practice or business? YES □ NO □

*If you have answered YES to either part D.1.1, D.1.2 or D.1.3, please supply details.*


2. Is any partner, principal or director connected or associated (financially or otherwise) with any other practice or business? YES □ NO □

*If YES, please supply details.*


3. Are you authorised by Securities Commission under the Capital Market Services Act to provide financial advice? YES □ NO □

4. What is your SC Licence No.? ..............

E. DETAILS OF ACTIVITIES

1. Please detail the approximate percentage of your fees, including commission, brokerage and/or other consulting fees derived from the following fields of work:

   **Type of Work**

   **Life Insurance Sales** (complete question 2)

   - Endowment Life Insurance ...................... %
   - Global Health plans (Worldwide cover) ...................... %
   - Investment-linked Life Insurance ...................... %
   - Medical Insurance ...................... %
   - Term Insurance ...................... %
   - Universal Life Insurance ...................... %
   - Whole Life Insurance ...................... %
   - Others (please specify) ............................. ...................... %

   **Financial Planning** ...................... %

   **Investment Advice** (complete question 3)

   - Alternative Investments (e.g. Hedge funds) ...................... %
   - Global Savings Accounts ...................... %
   - Unit Trust Sales ...................... %
   - Others (please specify) ............................. ...................... %
General Insurance Sales (complete question 4)

<table>
<thead>
<tr>
<th>Category</th>
<th>% of client policies placed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident &amp; Health (Inc. Disability)</td>
<td></td>
</tr>
<tr>
<td>Credit / Surety Insurance</td>
<td></td>
</tr>
<tr>
<td>General Accident (Inc. Public Liability)</td>
<td></td>
</tr>
<tr>
<td>Marine or Aviation</td>
<td></td>
</tr>
<tr>
<td>Motor Insurance</td>
<td></td>
</tr>
<tr>
<td>Personal Lines (e.g. Travel, Home)</td>
<td></td>
</tr>
<tr>
<td>Professional Liability</td>
<td></td>
</tr>
<tr>
<td>Property (Inc. Business Packages)</td>
<td></td>
</tr>
<tr>
<td>Worker / Employee Compensation</td>
<td></td>
</tr>
<tr>
<td>Others (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL 100%

2. Complete if applicable (refer to question 1)

In respect of Life Insurance activities are you licensed by Bank Negara to place life insurance? YES □ NO □

If YES, what is your licence number? ………………………………

Please list the Life Insurance Companies you deal with:

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>% of client policies placed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Complete if applicable (refer to question 1)

In respect of Investment Advice:

3.1 Do you promote or sell strategies that encompass:

3.1.1 Investments other than cash, bonds or liquid equity YES □ NO □

3.1.2 Real estate property investments other than REITs listed on the KLSE YES □ NO □

3.1.3 Hedging strategies for either equity or foreign exchange YES □ NO □

3.1.4 Unit trusts not listed on the KLSE YES □ NO □

If you have answered YES to any of the above, please supply details:

3.2 What percentage of your clients funds are placed directly with third party fund or equity asset managers ............ %

3.3 Are you financial associated (either directly or indirectly) with any of the fund or equity asset managers you use? YES □ NO □

3.4 Do you engage in discretionary trading on behalf of your clients? YES □ NO □

If you have answered ‘Yes’ to either part E. 3.3 or E.3.4 above, please supply details:

---------------------------
4. Complete if applicable (refer to question 1)
In respect of General Insurance placements are you licensed by Bank Negara to place general insurance? YES □ NO □
If YES, what is your licence number? ..................................................

5. General Information:

5.1 Do you facilitate overseas investments for local investors? YES □ NO □
5.2 Do you promote tax effective investments for expatriates or residents of Malaysia with citizenship elsewhere (e.g. tax effective planning for UK Citizens working in Malaysia)? YES □ NO □
5.3 Do you hold a binding authority with any insurer (including cover note books or "immediate issue" policy pads)? YES □ NO □
   If YES, please provide details:
   ................................................................................................................................................
   ................................................................................................................................................

5.4 Do you provide services to customers not resident in Malaysia, or work for clients located overseas? YES □ NO □
   If YES, please provide details:
   ................................................................................................................................................
   ................................................................................................................................................

F. RISK MANAGEMENT

1. Please provide details of the methods of control used to monitor and supervise the activities of your
   appointed representatives.
   ................................................................................................................................................
   ................................................................................................................................................

2. Are staff instructed never to sign proposal forms on behalf of clients? YES □ NO □

3. Do you have set questionnaires that solicits relevant information about the clients’/investors’ specific needs and circumstances? YES □ NO □

4. Do you have a standard letter or engagement outlining your duties and the respective clients responsibilities? YES □ NO □

5. Do you have standard disclaimers or warranties that you use/apply with all advice? YES □ NO □
   If "YES to Part F.3, F.4, or F.5 please provide a copy of these.

6. Are all contracts reviewed by a law firm experienced in your profession? YES □ NO □
   If NO, please supply details on how you review and approve contracts.
   ................................................................................................................................................

7. In respect of investment advice or financial plans

7.1 Are they individually tailored to meet the specific needs, goals and investment objectives of your respective clients? YES □ NO □

7.2 Are they solely provided by registered advisors? YES □ NO □

7.3 Are they counter reviewed and signed off by a financial advisory manager of the firm? YES □ NO □
8. Do you guarantee the future performance of any investment or financial plan? YES NO
   If YES, please supply details.
   ........................................................................................................................................
   ........................................................................................................................................
9. Do you maintain a list ‘approved’ investment products and other products you promote? YES NO
   If YES, how are these ‘approved’ products selected and how often is the list reviewed?
   If NO, how do you determine which products to promote?
   ........................................................................................................................................
   ........................................................................................................................................
10. Do you engage consultants, sub-contractors or agents? YES NO
    If YES:
    10.1 Do you insist they carry their own professional indemnity insurance? YES NO
    10.2 Do you enter into any hold-harmless agreements or otherwise waive any legal rights
        or entitlements which you may have against such consultants, sub-contractors or agents? YES NO

G. FINANCIAL POSITION OF THE CORPORATION

1. Please advise the date of your financial year end: _____/_____/_____
2. Please provide the amount of total income/fees for the following:
<p>|</p>
<table>
<thead>
<tr>
<th>MALAYSIA</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Est. Coming year</td>
<td>.................</td>
</tr>
<tr>
<td>(b) Est. Current year</td>
<td>.................</td>
</tr>
<tr>
<td>(c) Last year</td>
<td>.................</td>
</tr>
</tbody>
</table>
3. Please provide the amount of the largest annual fee from any one client and supply details of contract/work.
   ........................................................................................................................................
   ........................................................................................................................................
4. Please provide the approximate percentage of your activities (based on fee income) applicable to each country/region from which you derive a portion of your income.
<p>|</p>
<table>
<thead>
<tr>
<th>Country</th>
<th>MALAYSIA</th>
<th>ASIA</th>
<th>EUROPE</th>
<th>USA/CANADA</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Income</td>
<td>.............%</td>
<td>.....%</td>
<td>.........%</td>
<td>.............%</td>
<td>.........%</td>
</tr>
</tbody>
</table>

H. CLAIMS DETAILS

1. Has any partner, principal, director or staff member ever been subject to disciplinary YES NO proceedings for professional misconduct?
   If YES, please supply details.
   ........................................................................................................................................
   ........................................................................................................................................
2. Have any claims for negligence or breach of professional duty been made in the last ten (10) years against your practice or any of its predecessors in business or any prior practice of any of your practice’s present or former partners, principals or directors, or have circumstances been notified to insurers that might give rise to a claim?

If YES, please provide the following details in respect of each matter.

| Date Noticed | Name of Insurer (if any) | Name of Claimant or Potential Claimant | Brief description of the Matter | Amount Paid or Estimate of Potential Liability | Is Matter Finalised or outstanding?
<table>
<thead>
<tr>
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</tr>
</tbody>
</table>

3. Are any of the partners, principals or directors, AFTER ENQUIRY, aware of any claim or circumstance that may give rise to a claim against your practice or any prior practice or any of their present or former partners, principals or directors which matter is not referred to in question F.2 above?

If YES, please provide the following details in respect to each matter.

<table>
<thead>
<tr>
<th>Name of Claimant or Potential Claimant</th>
<th>Brief description of the Matter</th>
<th>Estimate of Potential Liability</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

I. INSURANCE COVER

1. Does your practice presently carry, or has your practice ever carried, professional indemnity insurance? YES NO

If YES, please supply details:

Insurer: ................................................................................................................................

Expiry Date: ................................................................................................................................

Limit of Indemnity: ..........................................................................................................................

Deductible: ..................................................................................................................................

2. Has your practice or any partner, principal or director ever been refused this type of insurance, or had similar insurance cancelled, or had an application of renewal declined, or had special terms imposed?

If YES, please supply details.

..................................................................................................................................................

...............................................................

J. APPLICATION FOR COVER

1. 1.1 Limit of indemnity required: .............................................................

1.2 Deductible/excess requested: .............................................................

When submitting this application, please remember to enclose a copy of:

1. Your standard questionnaires that solicit relevant information about the client’s/investors specific needs and circumstances
2. Your standard letter of engagement outlining your duties and the respective client’s responsibilities
3. Your standard disclaimers or warranties
K. DECLARATION

I am/We the undersigned authorised partner, principal or director, after enquiry declare as follows:

1. I am / We are authorised by each of the other applicants to make this proposal.
2. I/We have read and understood the Notice to the Proposed Insured on the front of this proposal form.
3. I/We have read this proposal and the accompanying documents and acknowledge the contents of same to be true and complete.
4. I/We understand that, up until a contract of insurance is entered into, I/We are under a continuing obligation to immediately inform QBE of any change in the particulars or statements contained in this proposal or in the accompanying documents.

Although the signing of this proposal does not bind the applicants to effect insurance, the applicants acknowledge that the particulars and statements contained in this proposal and in the accompanying documents shall be the basis of the contract should a policy of insurance be effected; and further, the applicants acknowledge that the proposal and the accompanying documents will be incorporated in such policy.

Name of Practice: __________________________________________________________________

Signed: ________________________________________________________________________

Name of Partner, Principal or Director: _____________________________ Date: __________

QBE Insurance (Malaysia) Berhad
(161086D)

No.638, Level 6 Block B1,
Pusat Dagang Setia Jaya
(Leisure Commerce Square)
No.9, Jalan PJS 8/9, 46150 Petaling Jaya
Selangor
Ph: (03) 7861 8400  Fax: (65) 6534 3186

Your Insurance Adviser or Broker

L. DECLARATION BY AGENT / BROKER / OFFICER (STAFF OF INSURANCE COMPANY)

In compliance with Section 16(2) of the Anti-Money Laundering Act 2001:

1. I/We hereby certify that the Proposer's original NRIC / Business Registration Certificate was verified and authenticated by me/us at the point of sale.

2. I have maintained a copy of the NRIC of the applicant of individual policies where premium is more than RM50,000.00 or Certificate of Incorporation (ROC or ROS) for applicants of group insurance policies where premium is more than RM100,000.00.

Name: …………………………………………………………………….    NRIC No: ……………………..

Date: ____/____/____ (dd/mm/yy)    Signature and company stamp: ……………………………..

………………...……………………………………………………………………