

## MANAGEMENT LIABILITY AND COMPANY REIMBURSEMENT INSURANCE - PROPOSAL FORM

### NOTICE TO THE APPLICANT:

**YOU ARE TO DISCLOSE IN THIS PROPOSAL FORM FULLY AND FAITHFULLY ALL FACTS WHICH YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY RECEIVE NOTHING FROM THE POLICY (AS DEFINED BELOW).**

#### Completing the Proposal Form

- Please answer all questions in full leaving no blank spaces
- If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned.
- It is agreed that the whenever used in this proposal form, the term Applicant shall mean the Principal Organisation and all its Subsidiaries, as defined in the HDFC ERGO Signature Management Liability Policy ("the policy").
- It is agreed that whenever used in this proposal form the definition of the terms 'Claims', 'Policy Period' 'Legal Representation Expenses', 'Defence Costs', 'Director' or 'Officer' are in accordance with the policy.
- The headings in this proposal are solely for convenience.

The Management Liability Policy is written on a Claims made basis. The policy covers only Claims first made during the Policy Period or any Extended Reporting Period. The limit of liability to pay damages or settlements will be reduced and may be completely exhausted by the payment of Defence Costs or Legal Representation Expenses.

PLEASE READ THE ENTIRE POLICY AND THE PROPOSAL FORM CAREFULLY.

(Please fill in CAPITALS only)

### 1. GENERAL INFORMATION

Name of Applicant	<input type="text"/>	<input type="text"/>	<input type="text"/>
	(First Name)	(Middle Name)	(Last Name)
Applicant's Address	<input type="text"/>		
Applicant's web address	<input type="text"/>		
Nature of Applicant's activities	<input type="text"/>		
How long has the Applicant continuously carried on business?	<input type="text"/>		
Names and dates under which the Applicant's business was formerly carried on:	<input type="text"/>		
When and where is the Applicant incorporated?	<input type="text"/>		

### 2. OWNERSHIP

(a) Is the Applicant a: Private Company?  Yes  No Public Company?  Yes  No  
Other (Specify) \_\_\_\_\_

(b) Is the Applicant listed on an Indian Stock Exchange?  Yes  No

(c) Is the Applicant listed on any foreign stock exchanges?  Yes  No  
If yes to question 2.(b) or 2.(c), give details of the stock symbol for the Applicant and/or any of its subsidiaries so listed and identify the exchange on which their securities are listed: \_\_\_\_\_

(d) Provide the name and ownership percentage of any shareholder directly or beneficially owning 5% or more of the issued shares of any Applicant: \_\_\_\_\_

(e) Has any Applicant issued any securities convertible into shares?  Yes  No  
If yes, please provide details: \_\_\_\_\_

### 3. MATERIAL CHANGES

(a) Whether or not such discussions or proposals have been made public, is the Applicant or any individual proposed for coverage currently involved in any discussions or aware of any proposals relating to any actual or potential:

(i) Acquisitions of, tender offers for or mergers with any other organisation?  Yes  No  
If yes, please provide details: \_\_\_\_\_

(ii) Public offering of securities?  Yes  No  
If yes, please provide details including a copy of the offering document: \_\_\_\_\_

(iii) Scheme of compromise or company arrangement or material change in any arrangement with creditors under any law anywhere in the world?  Yes  No  
If yes, please provide details: \_\_\_\_\_

(iv) restatement of the Applicant's audited financial statements  Yes  No  
If yes, please attach details: \_\_\_\_\_

(b) Please provide details of any change to the list of serving directors and officers in the Applicant's most recent annual report and accounts: \_\_\_\_\_

(c) Has the chairman, managing director, chief executive officer or chief financial officer of the Applicant left such office within the last 3 years for any reason other than death or retirement?  Yes  No  
If yes, please provide details: \_\_\_\_\_

### 4. PUBLIC COMPANY

If yes, please attach details: \_\_\_\_\_

(a) Has the Applicant replaced its external auditor at any time during the last 3 years?  Yes  No  
If yes, please attach details: \_\_\_\_\_

(b) Have the Applicant's revenue recognition or other accounting practices been approved by its external auditor?  Yes  No  
Please attach details of any qualifications made by and any changes recommended by such external auditor: \_\_\_\_\_

Has the Applicant changed or is it considering changes to its revenue recognition or other accounting practices?  Yes  No  
If yes, please attach details: \_\_\_\_\_

## 5. U.S.A OPERATIONS

(a) Does the Applicant conduct business in the U.S.A.?  Yes  No

If yes, please provide: \_\_\_\_\_

(i) Total Assets of the Applicant's U.S.A. subsidiaries or operations \_\_\_\_\_

(ii) Total Revenue derived from U.S.A. subsidiaries or operations \_\_\_\_\_

(b) Has the Applicant issued any securities, including but not limited to any stock, shares, commercial paper or any debt or equity instruments in the U.S.A?  Yes  No

If yes, please complete Schedule A – U.S.A SEC Exposure Supplementary Proposal.

## 6. OUTSIDE DIRECTORSHIP COVERAGE

Does the Applicant require cover for any Outside Directorships?  Yes  No

If yes, complete Schedule B for those positions for which the Applicant requires coverage. Note: Although Outside Directorships are automatically covered for some entities, we require information for all entities for which the Applicant seeks cover.

(An Outside Directorship is the position of Director, Officer, trustee, governor, councillor or the holder of an equivalent position in any jurisdiction held by the Applicant's Directors, Officers or employees on the board of an entity which is not a subsidiary of the Applicant or a non-profit entity, which position is assumed and maintained with the KNOWLEDGE and CONSENT or at the REQUEST of the Applicant).

## 7. EMPLOYMENT PRACTICES

(a) Total Number of Employees: \_\_\_\_\_

(b) If applicable, Total Number of Employees in the U.S.A: \_\_\_\_\_

(c) Has the Applicant undertaken any staff retrenchments or reductions during the last 6 years or does it anticipate making any staff retrenchments or reductions in the next 12 months?  Yes  No

If yes, please attach details \_\_\_\_\_

(d) Does the Applicant

(i) Maintain a written manual of its human resource procedures?  Yes  No

(ii) Have a written policy against discrimination, including sexual harassment?  Yes  No

(iii) Have a written progressive discipline programme?  Yes  No

## 8. PRIOR INSURANCE

(a) Has the Applicant ever been refused directors' & officers' liability and company reimbursement Insurance or had a similar policy cancelled?  Yes  No

If yes, please provide details \_\_\_\_\_

(b) Does the Applicant currently have directors' & officers' liability and company reimbursement Insurance?  Yes  No

(i) If yes, please provide the following details:

Insurer	Limit of Liability Rs.	Deductible Rs.	Policy Period

## 9. PRIOR KNOWLEDGE/WARRANTY

**Note:** This section applies if the Applicant does not currently have directors' & officers' liability and company reimbursement insurance. In addition, this section need not be completed if this proposal is with respect to a renewal of a current HDFC ERGO General Insurance Company directors' & officers' liability and company reimbursement insurance policy.

(a) Has the Applicant or any person proposed for coverage given notice under the provisions of any prior or current directors' & officers' liability and company reimbursement insurance policy or similar insurance of facts or circumstances which might give rise to a claim being made against any such person?  Yes  No

(b) Have any loss payments been made on behalf of any Applicant or any person proposed for coverage under any directors' & officers' liability and company reimbursement insurance policy or similar insurance?  Yes  No

(c) Has any Director or Officer of the Applicant ever been subject to any prosecution, disciplinary action, been fined or penalised, or been the subject of any inquiry or investigation in their capacity as a Director or Officer of the Applicant?  Yes  No

(d) Has the Applicant or any person proposed for coverage been involved in any civil, criminal or administrative proceeding or investigation concerning compliance with or breach of any securities law or regulation anywhere in the world?  Yes  No

(e) Has there been or is there now pending against:

(i) any director or officer of the Applicant \_\_\_\_\_

(ii) an outside director requesting cover on an outside entity \_\_\_\_\_

(iii) a claim against them in their capacity as such?  Yes  No

It is agreed that any such claim is excluded from the proposed coverage.

(f) Is the Applicant or any person proposed for coverage cognisant of any facts or circumstances which:

(i) It, he or she has reason to suppose might afford valid grounds for any future claim(s) such as would fall within the scope of the proposed coverage?  Yes  No

(ii) indicate the probability of any such claim(s)?  Yes  No

It is agreed that if such facts or circumstances exist, any claim, action or proceeding arising therefrom is excluded from the proposed coverage.

If the answer to any one of the questions in 9. is yes, please attach details. \_\_\_\_\_

## 10. FALSE INFORMATION

The Applicant understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the company's decision to provide this insurance. The Applicant further understands that the company will, in its sole discretion, issue the Policy in reliance upon the truth of such statements and particulars.

**THE POLICY SHALL BE VOIDABLE AT THE OPTION OF THE COMPANY IN THE EVENT OF MIS-REPRESENTATION, MIS-DESCRIPTION OR NON-DISCLOSURE OF ANY MATERIAL PARTICULAR BY THE INSURED.** ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE COMPANY OR OTHER PERSONS, FILES, A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE COMPANY'S SOLE DISCRETION AND RESULT IN A DENIAL OF INSURANCE BENEFITS.

**IF A CLAIM IS IN ANY RESPECT FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR OTHER DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR IF ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE APPLICANT, POLICYHOLDER, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF TO OBTAIN ANY BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE APPLICANT, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY ARE FORFEITED.**

**REQUESTED LIMIT** \_\_\_\_\_

**ADDITIONAL INFORMATION**

Please enclose with this proposal form:

(a) The last two Audited Annual Reports.

(b) The last two Interim Statements (if applicable).

**Notice**

**Anti-Rebating**

Per Section 41 of the Insurance Act 1938, as amended, the practice of rebating is prohibited, as follows:

**NO PERSON SHALL ALLOW OR OFFER TO ALLOW, EITHER DIRECTLY OR INDIRECTLY, AS AN INDUCEMENT TO ANY PERSON TO TAKE OUT, RENEW OR CONTINUE AN INSURANCE POLICY, IN RESPECT OF ANY KIND OF RISK RELATING TO LIVES OR PROPERTY IN INDIA, ANY REBATE OF THE WHOLE OR PART OF THE COMMISSION PAYABLE OR ANY REBATE OF THE PREMIUM SHOWN ON THE POLICY, NOR SHALL ANY PERSON TAKING OUT OR RENEWING OR CONTINUING A POLICY ACCEPT ANY REBATE, EXCEPT SUCH REBATE AS MAY BE ALLOWED IN ACCORDANCE WITH THE PUBLISHED PROSPECTUS OF THE INSURER.**

**VIOLATIONS OF SECTION 41 OF THE INSURANCE ACT 1938, AS AMENDED SHALL BE PUNISHABLE WITH A FINE WHICH MAY EXTEND TO FIVE HUNDRED (500) RUPEES.**

**DECLARATION AND SIGNATURE**

The undersigned authorised officers of the Applicant declare that to the best of their knowledge and belief the statements set forth herein and all attachments and schedules hereto are true and complete and that reasonable efforts have been made to obtain sufficient information from each and every director and officer proposed for this insurance to facilitate the proper and accurate completion of this Proposal. The undersigned further agree that, between the date of this Proposal and the effective date of the Policy, if insurance is provided, (1) any material change in the condition of the Applicant is discovered, or (2) there is any material change in the answers to the questions contained herein, either of which would render this Proposal inaccurate or incomplete, notice of such change will be reported in writing to the Company immediately and, if necessary, any outstanding quotation may be modified or withdrawn.

The signing of this Proposal does not bind the undersigned to purchase the insurance, but it is agreed by the Applicant and all persons proposed for this insurance that the particulars and statements contained in this Proposal and attachments and materials submitted with this Proposal (which shall be retained on file by the Company and shall be deemed attached to the Policy, if insurance is provided, as if physically attached thereto) are true and correct and will be the basis of the Policy and will be considered as incorporated in and constituting part of the Policy. It is further agreed by the Applicant and all persons proposed for this insurance that such particulars and statements are material to the decision to provide this insurance and that any Policy will be issued in reliance upon the truth of such particulars and statements. All such particulars and statements shall be deemed to be made by each and every one of the persons proposed for this insurance, provided that, except for any misstatements or omissions of which the signers of this Proposal are aware, any misstatements or omissions in this Proposal, or the attachments and materials submitted with it, concerning any matter which any person proposed for this insurance has reason to suppose might offer grounds for a future claim against him or her shall not be imputed, for purposes of rescission of the

Policy, to any other persons proposed for this insurance who are not aware of the omission or the falsity of the statement.

**PLEASE NOTE: ONLY DULY APPOINTED AGENTS OF THE COMPANY ARE AUTHORISED TO SOLICIT PROPOSALS FOR INSURANCE. AGENTS AND BROKERS ARE NOT AUTHORISED TO BIND INSURANCE. NO COVERAGE SHALL BE PROVIDED UNLESS THE COMPANY ACCEPTS THE PROPOSAL AND BINDS THE INSURANCE.**

A policy cannot be issued unless the proposal is duly completed, signed, dated and stamped.

Signed: \_\_\_\_\_  
Chairman of the Board

Signed: \_\_\_\_\_  
Managing Director or Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE A**

**U.S.A SEC EXPOSURE SUPPLEMENTARY PROPOSAL**

1) Does the Applicant have any type of American Depository Receipt (ADR) program or facility?  Yes  No

If yes:

a) Identify the type of program or facility, eg Level 1, 2 or 3:

b) is such program or facility:

i) Un sponsored?  Yes  No

ii) Sponsored?  Yes  No

c) When and where did the last offering take place? \_\_\_\_\_

d) Which advisers were used for the offering?

Underwriters: \_\_\_\_\_

Depository: \_\_\_\_\_

Custodian: \_\_\_\_\_

Legal Counsel: \_\_\_\_\_

Other: \_\_\_\_\_

e) On which exchange are the American Depository Shares (ADS) traded? \_\_\_\_\_

f) Provide details of the trading activity of the ADS for the previous 6 month period: \_\_\_\_\_

g) What is the ratio of ADR to the Applicant's local shares?: \_\_\_\_\_

h) How many ADR are on issue?: \_\_\_\_\_

i) What is the program's total capitalisation?: \_\_\_\_\_

j) List any shareholder that owns more than 5% of ADR: \_\_\_\_\_

k) What forms does the Applicant file with the U.S.A Securities and Exchange Commission (SEC)?: \_\_\_\_\_

l) When were the requisite SEC forms last filed with the U.S.A SEC? Please attach copies of all such forms.: \_\_\_\_\_

m) What are the most recent daily, weekly and monthly prices for the ADS?: \_\_\_\_\_

n) What are the 52-week high and low prices for the ADS?: \_\_\_\_\_

2) (a) Other than ADR, has the Applicant issued any securities in the U.S.A.? Please note securities mean debt and equity securities including but not limited to common stock, commercial paper programs and any other debt or equity offering.  Yes  No

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(b) If the answer to question 2(a) is Yes, are any such securities traded on any exchange or over the counter market in the U.S.A.?  Yes  No

If yes, for each such facility or program please provide the following information

- i) Exchange or over the counter market on which traded; \_\_\_\_\_
- ii) Date trading commenced; \_\_\_\_\_
- iii) Advisers used for the offering; \_\_\_\_\_
- iv) Shareholders/investors owning more than 5% of such securities; \_\_\_\_\_
- v) Whether the offering was made through a 144A private placement; \_\_\_\_\_
- vi) List all forms the Applicant files with the U.S.A SEC. Please attach copies of the most recent filings made with the U.S.A SEC; \_\_\_\_\_
- vii) Most recent daily, weekly and monthly prices for such securities; and \_\_\_\_\_
- viii) 52-week high and low prices for such securities. \_\_\_\_\_

3) Where applicable, please attach a copy of the following for every Applicant seeking coverage

- i) The most recent Annual Report (including financial statements); \_\_\_\_\_
- ii) The most recent report filed with the U.S.A SEC on Form 10-K and 10-Q; \_\_\_\_\_
- iii) All reports filed with the U.S.A SEC Form 8-K or Schedule 13D (with respect to any equity securities of such Applicant) during the preceding twelve (12) months; \_\_\_\_\_
- iv) The most recent proxy statement and (if different) the most recent definitive proxy statement filed with the U.S.A SEC; and; \_\_\_\_\_
- v) The most recent letter on internal controls provided by the Applicant's external auditor together with management's response \_\_\_\_\_

**SCHEDULE B**

**OUTSIDE DIRECTOR LIABILITY COVERAGE**

Name of individual requiring cover & position held in the Outside Entity	Name of Outside Entity	% shares owned by Applicant	Name of each entity or individual holding more than 5% of shares of Outside Entity	If Outside Entity is publicly traded provide stock symbol and identify exchange on which its securities are traded.	Nature of Business Activities	Country of Incorporation	Is Outside Entity public, private or other?	Does the Outside Entity indemnify its directors and officers?	Indicate D&O Insurer and Insurance limit and deductible carried by the Outside Entity	Has the Outside Entity or its directors and officers been involved in any D&O litigation related to the Outside Entity? If yes, attach details.

**PLEASE ATTACH LATEST ANNUAL REPORT INCLUDING FINANCIAL STATEMENTS FOR EACH OUTSIDE ENTITY WHICH IS:**

- 1) Located, incorporated, domiciled or operated in the USA
- 2) Registered or approved for direct or indirect trading on a national securities exchange in the USA.
- 3) A bank, finance company, leasing company, friendly society, life insurance company, general insurance company, reinsurance company, investment company, mutual fund, collective investment scheme, fund manager, investment adviser, responsible entity of a managed investment scheme, trustee company, money market corporation, investment bank or any broker or dealer in securities or commodities, mortgage broker, real estate agent, stock exchange, commodities exchange, futures exchange, custodian, clearing house, registrar, medical benefits association or hospital benefits association or organisations of a similar nature.

**SUPPLEMENTARY PROPOSAL FORM**

**POLLUTION EXPOSURES**

- 1) Does the Applicant have a formal, documented environmental policy that is approved by its Board of Directors?  Yes  No  
If so, please attach a copy of the policy. \_\_\_\_\_
- 2) Does the Applicant have a board committee responsible for overseeing its environmental Policy?  Yes  No
- 3) Does the Applicant perform formal audits to confirm compliance with its environmental policy?  Yes  No
- 4) Has the Applicant or any of its personnel been prosecuted or fined for any environmental violation the past 5 years?  Yes  No  
If yes, please provide details: \_\_\_\_\_  
It is agreed that any claim for such environmental violation is excluded from the proposed coverage.
- 5) Is the Applicant aware of any circumstance or does it expect any notices by which it is or will be obligated to pay damages or compensation for environmental damage?  Yes  No  
If yes, please provide details: \_\_\_\_\_

It is agreed that if such circumstances or notices exist, any claim, action or proceeding arising therefore is excluded from the proposed coverage.

The undersigned authorised officers of the Applicant declare that to the best of their knowledge and belief the statements set forth herein and all attachments and schedules hereto are true and complete and immediate notice will be given should any of the above information alter between the date of this proposal and the proposed date of inception of the insurance. Although the signing of the proposal does not bind the undersigned, on behalf of the Applicant and its directors and officers, to effect insurance, the undersigned agree that this proposal and all attachments and schedules hereto and the said statements herein shall be the basis of and will be incorporated in the policy should one be issued.

Signed: \_\_\_\_\_  
Chairman of the Board

Signed: \_\_\_\_\_  
Managing Director or Chief Executive Officer

Date: \_\_\_\_\_

Insurance is the subject mater of solicitation. Registration Number : 125

Date: \_\_\_\_\_

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