

MUTUAL FUND ASSET PROTECTION INSURANCE - PROPOSAL FORM

MUTUAL FUND ASSET PROTECTION INSURANCE IS WRITTEN ON A CLAIMS-MADE BASIS. EXCEPT AS OTHERWISE PROVIDED, THIS POLICY WILL COVER ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ CAREFULLY.

DEFENSE COST PROVISIONS: PLEASE NOTE THAT THE DEFENSE COSTS PROVISION OF THIS POLICY STIPULATES THAT THE AGGREGATE LIMIT OF LIABILITY MAY BE COMPLETELY EXHAUSTED BY DEFENSE COSTS. ANY DEDUCTIBLE MAY BE SIMILARLY REDUCED OR EXHAUSTED BY DEFENCE COSTS.

Please answer all of the following inquiries. If HDFC Ergo General Insurance Company Limited (hereinafter referred to as the "Company") agrees to issue a policy, all of the information which the Applicant provides will become a part of and shall form the basis of any policy issued to the Applicant by the Company and shall be incorporated therein. Any misrepresentation, omission, concealment or incorrect statement of a material fact in this Proposal will be grounds for rescission.

Please note: The term "Applicant" as used in this Proposal refers to the Trustee, Investment Manager, their directors, officers and employees and all Mutual Funds for which coverage is required. It is agreed that coverage is required only for those entities listed on the Schedule of Proposed Named Insured.

GENERAL INFORMATION

1 Name of Applicant _____
 Address _____
 Is the Applicant licensed by any regulatory authority? Yes No
 If yes, please list the regulatory authority(ies) _____

2 Year Applicant commenced operations:
 a) Investment Manager _____
 b) Trustee _____

3 Coverage requested:
 Insured Mutual Fund Yes No
 Insured Trustee Yes No
 Insured Investment Manager Yes No
 Directors' and Officers' Liability Yes No

4 Limit of Liability Required - Aggregate each Policy Period Rs. _____ Rs. _____

5 Please complete the attached Schedule of Proposed Named Insureds on Page 10.

6 Please provide the following documents and information:
 a) Latest audited annual report & accounts to unit holders
 b) Latest interim report & accounts to unit holders
 c) List and percentage ownership of unit holders which hold 5% or more interest in each of the Mutual Funds
 d) Latest prospectus or offering memorandum and brochure offered to unit holders
 e) Trust Deed
 f) Investment Management Agreement
 g) Other Advisory or Sub-delegation Agreements
 g) Applicant's current organisational chart

7 Please indicate the officer position of the Applicant whose incumbent will be designated as agent of the Applicant and of all Insureds, to receive any and all notices from the Company or the Company's authorised representative(s) concerning this insurance.
 Position _____ Name of Current Incumbent _____

8 a) Has any Applicant been involved in any mergers, acquisitions or consolidations in the past three (3) years? Yes No
 If yes, please provide full details. _____
 b) Is any Mutual Fund presently involved in or considering any merger, acquisition or change in control? Yes No
 If yes, please provide full details. _____
 c) Have any Mutual Funds been dissolved in the past three (3) years? Yes No
 If yes, please provide full details. _____
 d) Will any Mutual Funds be dissolved within the next twelve (12) months? Yes No
 If yes, please provide full details. _____

9 a) Number of offices in India of Trustee: _____
 Number of offices in India of Investment Manager : _____
 b) Are any of the Trustee's or Investment Manager's offices located outside of India? Yes No
 If Yes, please state the number and their location(s): _____

10 Are shares or units of any Mutual Fund sold to investors residing outside India? Yes No
 If yes, please provide details. _____

11 Indicate the areas in which formal policies and/or procedures have been implemented by the Trustee and/or Investment Manager to address the following:

Investment Policy	Risk Management Policy
Investment Asset Valuations	Audit Policy
Conflicts of Interest	Directors and Officers Duties
Insider Trading	Operations Procedures
Redemption Policy	Personnel Policy

12 a) What investment restrictions are imposed on the Mutual Fund(s)? _____
 b) How are investment restrictions monitored and by whom? _____
 c) Are exceptions to the investment restrictions permitted? Yes No
 If YES, please describe the procedures for exceptions: _____

 d) Does any Mutual Fund invest in one particular a) industry or b) geographic location? Yes No
 If YES, please describe which industries and/or geographic locations the Mutual Fund invests in: _____

Downloaded from www.insureatclick.com - Broker : Loyal Insurance Brokers Ltd.

- e) Does any Mutual Fund offer capital guaranteed investments? Yes No
 f) Does any Mutual Fund invest in derivative securities? Yes No

If YES, please describe procedures for managing such investments: _____

- 13 a) Do all Mutual Funds have an investment committee that is responsible for determining investment strategy and objectives and the implementation of policies for monitoring investment performance and positions? Yes No

If NO, who performs this function for each Mutual Fund? _____

b) How often does the investment committee meet? _____

14 a) How often are fund assets valued? _____

b) Who undertakes the valuation of fund assets? _____

c) Please describe the methodology(ies) used to value fund assets: _____

d) How often are fund valuations the subject of audit? _____

15 Please describe the stock selection process: _____

16 a) Describe the manner in which investors are advised of fund performance: _____

b) How often are investor's informed of fund performance? _____

17 Please describe the formal procedure in place for dealing with investor complaints: _____

18 Do all prospectus' and/or offer documents for each Mutual Fund detail the following:

- a) The function and responsibilities of the investment manager?
- b) Management and administration fees?
- c) Investment Strategies and Objectives?
- d) Investment Procedure?
- e) Warnings regarding the risks associated with the assets invested in including but not limited to a statement that there is no guarantee of performance or against loss resulting from investment in such assets?
- f) The manner in which valuations are to be conducted?
- g) Redemption of units or shares in the Mutual Fund?

19 a) Name of current external auditor _____

b) Has the Applicant changed its external auditor in the last three years? Yes No

If YES, please explain: _____

c) Does the Applicant have an internal audit department? Yes No

d) State the number of staff in the internal audit department: _____

e) What is the frequency of internal audits? _____

f) Have all criticisms from the last external and/or internal auditors review been corrected? Yes No

If NO, please detail the areas requiring correction: _____

g) Does the Applicant have an in-house legal department or counsel? Yes No

If YES, how many qualified lawyers does the department consist of? _____

What are the department's responsibilities? _____

h) Does the Applicant use a standard form of contract setting out the terms and conditions of the services provided? Yes No

If YES, (i) are all contracts approved by legal counsel? Yes No

(ii) do all contracts provide an indemnity to and/or limit the Yes No

Applicant's liability?

(i) Does the Applicant have a Compliance Officer? Yes No

If YES, state his/her duties, to whom he/she reports and attach his/her resume: _____

20 Has any government agency, foreign or domestic, conducted an inspection of any Applicant within the past three (3) years? Yes No

If yes, was any letter of deficiency or review of licensing received as a result of the inspection? Yes No

If yes, please attach a copy of such letter and management's response. _____

21 a) Have there been during the last five (5) years, or is there now pending any suits, claims, or proceedings against any Applicant Yes No

If yes, please provide full details. _____

b) Is the Applicant aware of any fact, circumstance, situation or wrongful act which would fall within the scope of the proposed insurance? Yes No

If yes, please provide full details. _____

With respect to Question 21. (a) and (b), it is agreed that if the Applicant is aware of any such fact, circumstance, situation or wrongful act, any claim subsequently arising therefrom shall be excluded from coverage.

22 During the past five (5) years, has any claim been made under any prior or current Mutual Fund Indemnification, Trustees Liability or Investment Managers Professional Indemnity Insurance, Fidelity Bond, or Directors & Officers Liability Insurance providing coverage to any of the Applicants for this insurance, or has notice been given to any company providing such coverage? Yes No

If yes, please provide full details. _____

23 If at any time the Applicant has not carried any of the coverages mentioned in Item 22., have there been any losses that would have been submitted under the policies if such coverages had been in place? Yes No

If yes, please provide full details. _____

- 24 Has any insurer refused or cancelled or refused to renew any of the coverages mentioned in Item 22? Yes No
If yes, please state reasons: _____
- 25 In the past twelve (12) months, have there been any changes, modifications or material changes in the investment restrictions, policies or administration of any Mutual Fund? Yes No
If yes, please outline changes or modifications. _____
- 26 With respect to any previous Mutual Fund Indemnification, Trustees Liability or Investment Managers Professional Indemnity Insurance carried, please advise the following
- Insurer: _____
 - Limit: Rs. _____
 - Deductible: Rs. _____
 - Policy Period: From _____

PREMIUM DETAILS

Amount Rs. Rupees _____

SOURCES OF FUND

Salary Business Other (Please Specify) _____

BANK ACCOUNT DETAILS

Bank Account No. Bank Name _____

Branch Name & Address _____

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

Signed: _____ Date: _____ Title: _____

Chairman of the Board or Managing Director Only

Supplementary Questionnaire.

Please provide information in respect of the following questions. Please note that the responses are subject to the same warranties as mentioned above. You may use a separate paper to respond to these questions.

Please provide answers in detail.

Risk Management

- Please advise if the Applicant employs or has an independent risk management department consisting of one or more risk management.
- To whom does the risk manager report?
- What is the qualification of the risk manager? Please supply a copy of CV of the manager.

Investment Policy

- Does the fund have a documented investment policy? -
- What are the main underlying instruments in the schemes that are in existence? Are any of the schemes invested in derivative instruments?
- What are the broad investment restrictions imposed on investments by the fund on the schemes currently in existence?
- How are these restrictions monitored and by whom?. If exceptions need to be made, explain the procedure for this.
- Are there any investments concentrating on any one particular industry or segment?
- Do you offer any capital guaranteed schemes?

Investment Committee

- Does the fund have an investment committee, which is responsible for laying down investment policy and philosophy, reviewing performance and positions with regard to objectives of the schemes?
- How often does the investment committee do the review?
If the response to question 1 above is "No", who carries out this function

Valuation

- Who does the valuation of fund assets?
- How often are they updated?
- Is there a formal document that outlines the elements critical to the NAV calculations?
- How often are audits done on this?

Stock Picking

- How is stock picking done?
- Who makes the final decision on stocks recommended for investments? Is there a committee that review the investment decisions taken?

Investors

- How are investors advised on the performance of the funds
- How often are they updated?
- How are investors' complaints handled? Is there a formal procedure outlined with regard to this?

Offer Documents

Does the all offer documents lay out the following

- function and responsibility of investment manager
- asset management fee
- investment objectives and strategies
- investment procedure
- risk associated with investments which clearly states among other things that there are no guarantees against loss resulting from investments
- how valuations are conducted

FRAUD WARNING

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 this Policy in reliance upon the truth of such statements and particulars.

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.

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

The undersigned persons declare that to the best of their knowledge the statements set forth herein are true and correct and that reasonable efforts has been made to obtain sufficient information from each and every director, officer and employee 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 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.

(Two different persons are required to sign this proposal)

Company _____

Signed By _____
 Chief Executive Officer or Chairman of the Board of Directors of Applicant Signature of Chief Financial Officer or other Senior Officer of the Applicant

Date _____

NOTE: The Proposal and all attachments shall be treated in strictest confidence.

HDFC Ergo General Insurance Company Limited
 6th Floor, Leela Business Park, Andheri Kurla Road,
 Andheri East, Mumbai 400 059, India

SCHEDULE OF PROPOSED NAMED INSURED

List all Mutual Funds, Trustees and Investment Managers for which coverage is required.

Mutual Funds: _____ **Date Established** _____

Trustee: _____ **Date Established** _____

Investment Manager: _____ **Date Established** _____