

FINANCIAL LINES

ACE ELITE PRIVATE EQUITY & VENTURE CAPITAL INSURANCE - PROPOSAL FORM



insured.®

Instructions to Applicant

Completing the Proposal Form

Please note that this proposal form is being completed by the Applicant on behalf of all the Insureds to be covered, as defined in the Policy. The reference to Applicant means any of the following entities, or as specifically defined in the Policy.

- a. the Principal Organisation;
- b. a general partner of a Fund that is organised as a limited partnership, or the operating equivalent in any jurisdiction;
- c. a managing member of a Fund that is organised as a limited liability partnership, or the operating equivalent in any jurisdiction;
- d. a manager or investment manager identified in the partnership agreement, operating agreement or constitution of a Fund and organised as a stock corporation, general partnership, limited liability partnership or limited liability company, or the operating equivalent in any jurisdiction;
- e. an entity which is the Trustee of each Fund that is a trust, or the operating equivalent in any jurisdiction;
- f. an Investment Company;
- g. any Subsidiary of (a) through to (f) above; or
- h. any Fund.

Please read the Important Notices on page 3.

Please answer all questions. If you have insufficient space to complete an answer, attach a separate signed and dated sheet and identify the question number concerned.

Please enclose with this Proposal Form:

- a. With respect to the Applicant and Subsidiaries (other than proposed insured Limited Partnerships / Funds), the latest audited annual reports and interim reports
- b. With respect to each of the Limited Partnerships proposed for cover:-
 - (i) the partnership agreements,
 - (ii) the latest annual report to Limited Partners and the list of Limited Partners, and
 - (iii) copy of the prospectus and/or offering circular.
- c. With respect to the Portfolio Companies of the Limited Partnerships proposed for cover:
 - (i) the terms sheet
 - (ii) the private placement memorandum (or its equivalent),
- d. Organisational Chart.

IMPORTANT NOTICES

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty to disclose to ACE Insurance Limited ("ACE") ("the insurer") every matter that 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 the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the insurer.

It is important that all information contained in this proposal is understood by you and is correct, as you will be bound by your answers and by the information provided by you in this proposal. You should obtain advice before you sign this proposal if you do not properly understand any part of it.

Your duty of disclosure continues after the proposal has been completed up until the contract of insurance is entered into.

Non-Disclosure

If you fail to fully and faithfully disclose all the facts which you know or ought to know, the policy issued may be void and you may receive nothing.

Coverage

The Directors and Officers Liability and Professional Indemnity contracts of insurance will cover liabilities arising from claims first made against you during the policy period or discovery period, if applicable. The Crime contract of insurance will cover loss first discovered during the policy period or discovery period, if applicable.

Waiver of Contribution of Indemnity Rights

Where you have agreed with another person or company, who would otherwise be liable to compensate you for any loss or damage which is covered by the contract of insurance that you will not seek to recover such loss or damage from that person, ACE will not cover you, to the extent permitted by law, for such loss or damage.

Change of Risk or Circumstances

You should advise ACE as soon as practicable of any material change to your normal business as disclosed in the proposal, including but not limited to changes in location, acquisitions and new overseas activities.

PERSONAL INFORMATION COLLECTION STATEMENT

ACE Insurance Limited ("ACE") is committed to protecting your personal data. ACE collects, uses, discloses and retains your personal data in accordance with the Personal Data Protection Act 2012 and our own policies and procedures. Our Personal Data Protection Policy is available upon request.

ACE collects your personal data (which may include health information) when you apply for, change or renew an insurance policy with us, or when we process a claim. We collect your personal data to assess your application for insurance, to provide you with competitive insurance products and services and administer them, and to handle any claim that may be made under a policy. If you do not provide us with your personal data, then we may not be able to provide you with insurance products or services or respond to a claim.

We may disclose the personal data we collect to third parties for and in connection with such purposes, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as actuaries, loss adjusters, claims investigators, claims handlers, third party administrators, call centres and professional advisors, including doctors and other medical service providers), other companies within the ACE Group, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside of Singapore.

You consent to us using and disclosing your personal data as set out above. This consent remains valid until you alter or revoke it by providing written notice to ACE's Data Protection Officer ("DPO") (contact details provided below). If you withdraw your consent, then we may not be able to provide you with insurance products or services or respond to a claim.

From time to time, we may use your personal data to send you offers or information regarding our products and services that may be of interest to you. If you do not wish to receive such information, please provide written notice to ACE's DPO.

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How to Contact Us

If you would like to obtain a copy of ACE's Personal Data Protection Policy, access a copy of your personal data, correct or update your personal data, or have a complaint or want more information about how ACE manages your personal data, please contact ACE's DPO at:

ACE Data Protection Officer
138 Market Street
#11-01 CapitaGreen
Singapore 048946

Email: dpo.sg@acegroup.com

FINANCIAL LINES

ACE elite Private Equity and Venture Capital Insurance - Proposal form

SECTION 1 - Applicant Details

1.1 Name of the Principal Organisation of the Applicant

1.2 Principal address

1.3 Web address

1.4 Date established / / 1.5 Place of Incorporation

1.6 Describe the investment strategy and primary focus of the Applicant, including the legal structure/form, stage of investment (seed capital/ early to mid-stage/ late stage), lead or follow investor, preferred exit strategy:

1.7 Is the Applicant registered with any securities regulatory authority or any self-regulatory authority? Yes ☐ No ☐

If **YES**, please advise name of regulatory authority.

Are all applicants authorised to conduct investment services in all jurisdictions in which they are active? Yes ☐ No ☐

If **NO**, please explain

1.8 Does any Applicant provide investment services in the United States or Canada or are they registered with the U.S. Securities and Exchange Commission ("SEC") under the Investment Advisors Act of 1940? Yes ☐ No ☐

If **YES**, please explain

1.9 Does any Applicant market and sell 'Alternative Investment Funds' to European Union persons? Yes ☐ No ☐

If **YES**, please list and describe the funds and are they compliant with the Alternative Investment Fund Directives?

1.10 Is the Applicant:

(a) Listed on any stock exchange? Yes ☐ No ☐

(b) Listed on any unlisted securities market or exempt exchange? Yes ☐ No ☐

(c) Traded in any other way? Yes ☐ No ☐

If **YES**, please provide full details: stock code; what exchange they are listed on; and type of security traded on that exchange:

SECTION 1 - Applicant Details (continued)

1.11 Please detail any shareholder or associated group of shareholders who own or control, directly or indirectly, more than 10% of the ordinary share capital of the Applicant:

1.12 If a partnership, please advise total number of:

(a) General Partners :

(b) Limited Partners:

1.13 Please complete the following in the appendices:

- (a) Schedule of Subsidiaries in Appendix A.
- (b) Schedule of Portfolio Companies in Appendix B.
- (c) Schedule of Limited Partnerships/Funds in Appendix C.

SECTION 2 - Internal Management Control

2.1 How often are Board of Directors or Partnership Management Committee meetings held?

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2.2 Indicate the areas in which formal policies and/or procedures have been implemented by the Board of Directors or Management Committee to address the following:

<input type="checkbox"/> Asset-Liability Management Policy	<input type="checkbox"/> Merger and Tender Offers	<input type="checkbox"/> Audit Policy
<input type="checkbox"/> Operation Procedures	<input type="checkbox"/> Conflicts of Interest Policy	<input type="checkbox"/> Personnel Policy
<input type="checkbox"/> Duties of Directors & Officers	<input type="checkbox"/> Risk Management Policy	<input type="checkbox"/> Investment Policy
<input type="checkbox"/> Selection Process for new Directors/Partners	<input type="checkbox"/> Distribution Policy	<input type="checkbox"/> Portfolio Company Valuations
<input type="checkbox"/> Protection of Non-Public Information	<input type="checkbox"/> Portfolio Company Securities Trading "Blackout Period"	<input type="checkbox"/> Trade and Economic Sanctions

2.3 What policies do you have to detect and prevent insider trading?

2.4 Please describe typical management and incentive fees:

2.5 Describe how fair market value of fund assets is established and monitored:

2.6 Describe your conflict of interest rules and how they are monitored:

2.7 (a) Does the Applicant have written procedures and protocols in place to ensure the Applicant complies with any continuous disclosure obligations arising pursuant to any legislation, listing rules or other law? Yes ☐ No ☐

If **YES**, are all relevant directors, officers, partners or employees:

(i.) Provided with a copy of the manual and/or guidelines? Yes ☐ No ☐

(ii.) During the past 2 years, have all relevant directors, officers, partners and staff received regular training in relation to their continuous disclosure obligations? Yes ☐ No ☐

(b) Who is responsible for ensuring compliance with continuous disclosure obligations?

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SECTION 2 - Internal Management Control (continued)

2.8 How often does the Board of Directors or Management Committee review the following?

Financial Statements

Portfolio Company Valuations

Insurance Coverages

Changes in Investment/Lending strategy

Threatened or Actual Litigation

2.9 Describe the membership of the Advisory Board including composition, roles and responsibilities (Advisory Board means a board or committee identified in the partnership agreement or constitution of the Applicant):

(a) Is the Advisory Board consulted/involved in all management decisions?

Yes ☐ No ☐

If **NO**, please describe their function.

(b) Is indemnification provided for Advisory Board members?

Yes ☐ No ☐

2.10 Have there been any changes in senior management in the last five years?

Yes ☐ No ☐

If **YES**, please provide details on a separate sheet.

2.11 Has the Applicant changed the Certified Public Accounting firm that prepares its independent audited financial statement within the last three (3) years?

Yes ☐ No ☐

If **YES**, please provide details on a separate sheet including the time of change and reasons for making such change.

2.12 In relation to your audits:

	Principal Organisation	Funds
(a) Frequency of audits by external auditors:		
(b) Number of internal audit staff:		
(c) Frequency of audits by internal auditors:		
(d) Years of average experience of internal audit staff:		

(e) Have all criticisms from the last external & internal auditors' review been corrected?

Yes ☐ No ☐

If **NO**, please attach plans for correction.

2.13 Describe the type and frequency of reports sent to investors.

2.14 Describe the typical leverage as a multiple of EBITDA used in investment deals.

2.15 Describe the process in deciding your exit strategy.

SECTION 2 - Internal Management Control (continued)

2.16 In relation to the Funds (defined in the policy as any trust, collective investment scheme, Alternative Investment Fund, or other similar entity or any sub-fund or subsidiary, managed, sponsored, operated or administered by the Applicant):

(a) What is the typical holding period for investments?

(b) Describe any sector or geographical specialisation.

(c) Describe any restrictions or limitations or types of assets or concentrations.

(d) Have there been any material changes in the administrative operations or investment policies of any Limited Partnership / Fund during the past two years?

Yes ☐ No ☐

If **YES**, please provide details.

(e) Do any of the funds' or investment managers' directors, officers, partners and trustees as a group, own more than 10% of the outstanding shares of any of the Limited Partnerships/Funds?

Yes ☐ No ☐

If **YES**, please provide details.

2.17 In relation to Portfolio Companies:

(a) How frequently are the Portfolio Company investments reviewed?

(b) Describe the investment approval process that is undergone before committing capital.

(c) Please provide a description of the professional services provided by the Applicant:

i. to the Portfolio Companies.

ii. to entities that are not Portfolio Companies. How often and for what reason are these services offered?

(d) Does the Applicant confirm whether indemnification is available from each Portfolio Company for which a Board position has been secured?

(e) Does the Applicant require a hold harmless agreement when an investment is made by a Fund?

SECTION 3 - Material Change in Subsidiaries

Is the Applicant aware of any actual (last 12 months) or future acquisition, merger or creation of a new subsidiary: Yes ☐ No ☐

If **YES**, please list any subsidiaries:

- (a) that have increased the asset size of the Applicant's total assets by more than 20% based on the latest audited consolidated financial statements or annual report:

- (b) that are domiciled inside of, and principally active in the United States of America or its Territories:

- (c) that are registered as Investment Advisors with the U.S. Securities and Exchange Commission:

SECTION 4 - Outside Directorship Cover

Outside Directorship means the position of director or officer held by any proposed insured person in an Outside Organisation at the request of the Applicant. An Outside Organisation for the purposes of this policy is a Portfolio Company or a Non-Profit organisation. The cover afforded will be excess of any indemnity provided by the Outside Organisation and in excess of any cover provided under the Outside Organisation's insurance policy or policies.

- (a) Do any of the Applicant's directors, officers, partners or employees hold an Outside Directorship position in an Outside Organisation? Yes ☐ No ☐

If **YES**, please complete Appendix B on page 13 for each Outside Directorship

- (b) Does the Applicant require that Directors' and Officers' Liability insurance is in place by the Outside Organisation prior to holding an Outside Directorship position? Yes ☐ No ☐

- i. Does any Outside Organisation have any securities listed or traded on any exchange in the United States of America or its Territories? Yes ☐ No ☐

If **YES**, please provide details:

- ii. Are any of the Outside Organisations or its directors and officers aware of any claim or circumstances that could give rise to a claim relating to the Outside Organisation? Yes ☐ No ☐

If **YES**, please provide full details on a separate sheet.

- iii. Have any of the Outside Organisations or its directors and officers been involved in any Directors and Officers litigation relating to the Outside Organisation? Yes ☐ No ☐

If **YES**, please provide full details on a separate sheet.

SECTION 5 - Internal Controls and Procedures Relating to the Crime Insurance Cover

NOTE: Only respond to section 5 if purchasing crime insurance cover.

- (a) In respect to the transfer of funds or property to another organisation:

- i. Please describe the method of instruction, for example, written, telephone, electronic, etc:

- ii. Are these instructions tested or subject to a call back procedure to an authorised person other than the individual initiating the transfer? Yes ☐ No ☐

If **NO**, please provide full details on a separate sheet.

- (b) Does the Applicant conduct an independent check of the employment history of any new employees prior to being recruited? Yes ☐ No ☐

SECTION 5 - Internal Controls and Procedures Relating to the Crime Insurance Cover (continued)

(c) Are duties segregated so that no individual can complete an activity from the beginning to the completion of the task without referral to another in respect of:

i. Opening new bank accounts

Yes ☐ No ☐

ii. Disbursement of assets

Yes ☐ No ☐

iii. Signing cheques or authorising payments greater than \$10,000

Yes ☐ No ☐

iv. Custody of securities

Yes ☐ No ☐

If **NO**, please provide details as to alternative arrangements:

SECTION 6 - Trade or Economic Sanctions

Does the Applicant have any operations or dealings which could give rise to a risk or obligation in a jurisdiction which is subject to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions of the European Union, United Kingdom, Singapore or United States of America?

Yes ☐ No ☐

If **YES**, please provide details:

SECTION 7 - Insurance Details

(a) Does the Applicant currently purchase Directors' & Officers' Liability, Professional Indemnity and/or Crime Insurances?

Yes ☐ No ☐

If **YES**, please provide the following information for all of these policies:

i. Insurer

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ii. Limit of Liability

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iii. Deductible

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iv. Expiry Date

/ /

(b) What coverage is now required:

Directors' and Officers' Liability

Yes ☐ No ☐

Outside Directorship

Yes ☐ No ☐

Professional Indemnity

Yes ☐ No ☐

Crime

Yes ☐ No ☐

(c) What Limit of Liability is required for each section?

Directors' and Officers' Liability:

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Outside Directorship:

--

Professional Indemnity:

--

Crime:

--

What Aggregate Limit of Liability is required?

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What Deductible is required?

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SECTION 8 - Claims/Circumstances

- (a) Have there been, or are there now pending, any suits, claims or proceedings against the Applicant? Yes ☐ No ☐
- (b) Have there been, or are there now pending, any suits, claims or proceedings against any past or present person proposed for this insurance in their capacity as either director, officer, trustee, partner, employee, consultant, member of an Advisory Board, or equivalent, of the Applicant? Yes ☐ No ☐
- (c) Is the Applicant, or any director, officer, trustee, partner, employee, consultant, member of an Advisory Board, or equivalent, of the Applicant, aware, after enquiry, of any fact, circumstance, act or omission which may give rise to a claim? Yes ☐ No ☐
- (d) Has the Applicant, or any director, officer, trustee, partner, employee, consultant, member of an Advisory Board, or equivalent, of the Applicant been involved in:
- i. Any antitrust, copyright or patent litigation? Yes ☐ No ☐
- ii. Any civil or criminal action or administrative proceeding involving a violation of any security law or regulation? Yes ☐ No ☐
- iii. Any civil or criminal action or administrative proceeding involving a violation of any fair trade law? Yes ☐ No ☐
- iv. Any representative actions, class actions, or derivative suits? Yes ☐ No ☐
- (e) Has the Applicant, or any director, officer, trustee, partner, employee, consultant, member of an Advisory Board, or equivalent, of the Applicant, ever had an insurer decline a proposal for, or cancel or refuse to renew, Directors & Officers Liability Insurance policy, Professional Indemnity Insurance policy, or Crime Insurance policy, or had any special terms or conditions imposed? Yes ☐ No ☐
- (f) Have any losses been paid on behalf of the Applicant or any past or present director, officer, trustee, partner, employee, consultant, member of an Advisory Board, or equivalent, of the Applicant, under any Directors & Officers Liability Insurance policy, Professional Indemnity Insurance policy, or Crime Insurance policy? Yes ☐ No ☐

NOTE: If you answer YES to any of the above questions, please provide full details separately.

SECTION 9 - Acknowledgement

We (the undersigned):

- (a) acknowledge that we have read and understand the **Important Notices** and **Privacy Statement** contained in this proposal;
- (b) agree that this proposal, together with any other information or documents supplied, shall form the basis of any resulting contract of insurance;
- (c) acknowledge that if this application is accepted, the contract of insurance will be subject to the terms and conditions as set out in the policy wording as issued or as otherwise specifically varied in writing by ACE by endorsement to the policy;
- (d) declare after enquiry that the statements, particulars and information contained in this application and in any documents accompanying this application are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted;
- (e) undertake to inform ACE of any material alteration to those facts before completion of the contract of insurance.

Signature

(Chairperson)

Name

Date

/	/

Signature

(Managing Director/Chief Executive Officer)

Name

Date

/	/

Appendix A - Schedule of Subsidiaries

[illegible]

Appendix B - List of Portfolio Companies (With Respect to the Outside Organisations Cover)														
Name of Portfolio Company	Nature of Business	Date of Initial Investment	Stage of Investment (seed capital/ early to mid-stage/ late stage)	Total Amount Invested	Current Fair Market Value	Publicly Traded (Yes or No)	Country of Incorporation	Percentage Ownership	Financial Information for most recent year end ('000s)				Date of exiting investment	Value of exited investment ('000s)
									Total Revenues	Total Assets	Total Debt	Net Income		

With respect to Portfolio Companies where there is Board representation by the Applicant, please complete the following:

Name of Portfolio Company	Number of Board Positions held by the Applicant	If Directors' & Officers' Liability Insurance held by the Portfolio Company:			Does the Portfolio Company indemnify its directors and officers to the fullest extent possible at law? (Yes or No)
		Limit of Indemnity	Name of Insurer	Policy Number	

Appendix C - Schedule of Proposed Limited Partnerships / Funds to be Insured

[illegible]

This information is attached to and forms part of the proposal form for the ACE Elite Private Equity & Venture Capital Insurance Policy.

