

**PEMBROKE SYNDICATE 4000  
FSA APPROVED PERSONS INSURANCE  
PROPOSAL FORM**

This is a proposal form for a policy relating only to Legal Expenses arising out of FSA Proceedings commenced during the currency of the Policy.

**PLEASE NOTE:**

1. Every Proposer or Assured, when seeking a quotation, taking out or renewing an Insurance Policy, is required to advise to the prospective Insurers of any material fact or information which might affect the judgement of the Insurer in deciding whether to accept the insurance or assessing the conditions of the insurance. Failure to observe this obligation could lead to the avoidance of any contract entered into from inception. If you are in any doubt whether a fact is material, it should be disclosed.
2. Words in bold in the body of the Proposal Form are defined in the definition section at page [8].
3. Please answer all questions fully. If there is insufficient space, use a separate sheet.
4. Please write clearly and tick boxes as necessary.

**A. COMPANY INFORMATION**

1. Name of firm / company / individual and any predecessors in business:

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2. Business form of **Named Business**:

- Corporation
  - General Partnership
  - Limited Partnership
  - Limited Liability Partnership
  - Other (please describe)
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3. Please give a full description of your activities:

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4. Please state for how long the **Named Business** has carried on business.

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6. Head office address (es):

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7. Total number of employees:

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**B. APPROVED PERSONS AND CONTROLLED FUNCTIONS**

1. Please state the number of persons (who are either a partner, member, principal, director, officer or employee of the **Named Business**) to whom the **FSA** has given its approval under section 59 of **FSMA** for the performance of the following **Controlled Functions** (“**Approved Persons**”):

<b>Controlled Function</b>	<b>No. of Persons</b>
1. Director function.	
2. Non-executive director function.	
3. Chief executive function.	
4. Partner function.	
5. Director of unincorporated association function.	
6. Small friendly society function.	
7. Sole trader function.	
8. Apportionment and oversight function.	
9. EEA investment business oversight function.	
10. Actuarial function.	
11. With-profits actuary function.	
12. Lloyd’s actuary function.	
13. Finance function.	
14. Risk assessment function.	
15. Internal audit function.	
16. Significant management (designated investment business) function.	
17. Significant management (other business operations) function.	
18. Significant management (insurance underwriting) function.	
19. Significant management (financial resources) function.	
20. Significant management (settlements) function.	
21. Investment adviser function.	
22. Investment adviser (trainee) function.	
23. Corporate finance adviser function.	
24. Pension transfer specialist function.	
25. Adviser on syndicate participation at Lloyd’s function.	
26. Customer trading function.	
27. Investment management function.	

2. Please attach a separate schedule listing the following details for each **Approved Person**:

- Name
- Controlled functions authorised
- Date of authorisation

3. Do you anticipate any significant\* change in the number of Approved Persons in the next twelve months?

Yes  No

\* An increase or decrease of more than 10% of approved persons.

If "Yes", please provide full details:

### **C. INSURANCE**

1. Has FSA Approved Persons Insurance cover (or any similar cover indemnifying the partners, members, principals, directors, officers or employees of the **Named Business**, or the **Named Business** itself, for legal expenses arising from regulatory investigations) been carried during any of the past [3] years?

Yes  No

2. If the answer to question 1 above is "Yes",

a) What was the period of the policy?

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b) What was the indemnity limit?

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c) What was the amount of any excess / deductible?

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d) Who are the current / most recent insurers?

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3. Has the **Named Business** or any **Approved Person** ever been refused any insurance or had any insurance cancelled or specific terms imposed?

Yes  No

If "Yes", please provide full details:

**D. CLAIMS / CIRCUMSTANCES**

1. Please give details of each and every:

a) claim, investigation or proceeding involving the **Named Business** or any **Approved Person** (whether while the **Approved Person** was working for or associated with the **Named Business** or otherwise) in the last 10 years for which indemnity could have been provided under a FSA Approved Persons Insurance wording had it been in force; and

b) fact, situation, circumstance, allegation or contention known to a **Responsible Person** AFTER FULL ENQUIRY which may result in a claim, investigation or proceeding for which indemnity could have been provided under an FSA Approved Persons Insurance wording had it been in force.

Details (if none, state "none"):

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2. Without prejudice to the generality of the above questions, please give details of each and every:

a) claim, investigation or proceeding involving the **Named Business** or any **Approved Person** (whether while the **Approved Person** was working for or associated with the **Named Business** or otherwise) relating to **Market Abuse** or insider trading; or

b) fact, situation, circumstance, allegation or contention known to a **Responsible Person** AFTER FULL ENQUIRY which may result in any claim, investigation or proceeding involving the **Named Business** or any **Approved Person** (whether while the **Approved Person** was working for or associated with the **Named Business** or otherwise) relating to **Market Abuse** or insider trading.

Details (if none, state "none"):

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3. Please give details of:

- a) any civil or criminal proceedings which would be the subject of this insurance in which the **Named Business** or **Approved Person** (whether while the **Approved Person** was working for or associated with the **Named Business** or otherwise) has been involved; or
- b) any fact, situation, circumstance, allegation or contention known to a **Responsible Person** AFTER FULL ENQUIRY which may result in any civil or criminal proceedings involving the **Named Business** or **Approved Person** (whether while the **Approved Person** was working for or associated with the **Named Business** or otherwise).

Details (if none, state "none"):

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4. Please supply copies of all reports issued by the **FSA** or any previous regulator within the last 5 years as a result of their monitoring and regulatory activity, including all letters regarding risk assessment and including also all notes of bilateral meetings with the **FSA** or other regulator.

5. Please confirm that all necessary remedial action required by the **FSA** or other regulator in any report has / have been taken.

Yes  No

If "No", please explain why not:

## **E. DOCUMENTS**

As part of this Proposal Form please provide a copy of:

1. The **Named Business**' most recent Annual Report
2. The **Named Business**' most recent reports, including recommendations, from the **Named Business**' outside accountants and management's response thereto; and
3. A hard copy print out of the **Named Business**' complete website. Please state the date on which this print out was made:\_\_\_\_\_.

The Insurer will only be deemed aware of any information contained on any Web Site or any information which has appeared in any Press reports, if a hard copy of the relevant pages of the Web Site or the relevant Press report is attached to this Proposal Form.

## **F. DEFINITIONS**

For the purposes of this Proposal Form, the terms in bold type in the body of this Proposal Form shall have the meanings designated below:

1. **Approved Person** means those persons authorised to carry out a **Controlled Function**.
2. **Controlled Function** means any of functions 1 to 27 which are specified under section 59 **FSMA** in the table of controlled functions found at SUP 10.4.5R of the **FSA's** Handbook of rules and guidance (version as at 1 January 2005).
3. **FSA** means the Financial Services Authority.
4. **FSA Proceedings** means those proceedings defined in the draft FSA Approved Persons Insurance wording at section 2.G.
5. **FSMA** means the Financial Services Markets Act 2000 and any amendment, consolidation or re-enactment of that statute.
6. **Market Abuse** has the meaning set out in section 118 of **FSMA**.
7. **Named Business** means the person, company or other business entity stated in section A.1 of this Proposal Form.
8. **Responsible Person** means any member of the **Named Business**' in-house legal department or compliance department, the risk manager or any director, partner or principal of the **Named Business**.

**DECLARATION**

I understand that in addition to answering all the questions on this Proposal Form, I am required to disclose all material information which may affect the judgement of the Insurer in deciding whether or not to issue a policy of insurance, or on what terms to issue a policy of insurance. If I am in any doubt whether a fact is material, I acknowledge that it should be disclosed. After making the enquiries detailed above, I am not aware of any other material facts which ought to be disclosed to the Insurer.

I understand that this Proposal Form together with the written information attached hereto and any other written information provided by the **Named Business** or any **Approved Person** and signed by me after the date of this Proposal Form but prior to the conclusion of any contract of insurance shall be the basis of any contract of insurance between the Insurer on the one hand and **Named Business** and all insured **Approved Persons** on the other.

I undertake to inform Insurers of any material alteration to the stated facts coming to my knowledge prior to the date on which any contract of insurance is concluded save that where information has been provided as at a stated date it will not be updated.

Signed : .....

Name: .....

Title: .....

Date: .....