
BANKERS BLANKET BOND PROPOSAL FORM

A. General Details

1. a. Name of Company

- b. Head Office Address

- c. Internet Address or website

2. Please give details of the Company's nature of operations including those of its subsidiaries.

3. Please complete the Schedule of the proposed Company and Subsidiaries to be insured, as attached.

4. What are the Company and its Subsidiaries total number of:

a.	Employees	Locations
(i) Head Office	<hr/>	<hr/>
(ii) Branches	<hr/>	<hr/>
(iii) Data Processing Centres	<hr/>	<hr/>
(iv) Admin. Centres	<hr/>	<hr/>
b. Automated Teller Machines	<hr/>	<hr/>

5. Does the Company intend to offer any new services during the next 12 months? If **Yes**, please provide details. ☐ Yes ☐ No
6. Has the Company been acquired by another entity, merged with or acquired any other business or entity during the past 5 years? If **Yes**, provide, on a separate sheet, full details. ☐ Yes ☐ No

B. Auditing & Compliance Practices

Internal Audit

1. Is there an Internal Audit Department that is separate from the auditing services provided by an external auditor? ☐ Yes ☐ No
- If **Yes**:
- a. How many people are employed in the Internal Audit Department? _____
- b. Have they been trained to fulfil this function? ☐ Yes ☐ No
- c. Are the personnel responsible for auditing free of all other operational responsibilities and forbidden to originate entries? ☐ Yes ☐ No
- d. Is there a formal written internal audit program that includes the computer centres and facilities? ☐ Yes ☐ No
- e. Does the Internal Audit Department conduct a periodic surprise audit of internal control systems at all locations? ☐ Yes ☐ No
- f. Is the internal audit department independent of any other function? ☐ Yes ☐ No
- g. Does the Internal Auditor report directly to the Audit Committee of the Board of Directors? ☐ Yes ☐ No
2. Do you have procedures in place to monitor the implement of recommendations made by the internal audit department?
- If **No**, please explain.
- _____
- _____

3. How often are full internal audits conducted? _____

External Audit

4. State the name of the external auditors who fully audit your accounts.
- _____
5. How often are full external audits conducted? _____
6. Does the audit include all offices and branches, including Data Processing offices? If no, what form does the audit take? ☐ Yes ☐ No
7. Does the external auditor:
- a. Regularly review the system of internal control and furnish written reports? ☐ Yes ☐ No

- b. Report directly to the Audit Committee of the Board of Directors? ☐ Yes ☐ No
8. Has the firm rendered an unqualified opinion for each of the last 5 years? ☐ Yes ☐ No
9. Has there been any change in the firm used by the Company in the last 5 years? ☐ Yes ☐ No

If **Yes**, please explain.

10. Has the Company complied with all recommendations made as a result of its most recent audit? ☐ Yes ☐ No
- If **No**, have you adopted alternative arrangements to the satisfaction of your auditor? ☐ Yes ☐ No
11. Are all entities subject to the same external audits and applicable internal controls, procedures and appropriate physical security standards? If **No**, please provide full details. ☐ Yes ☐ No

C. Organisation Procedures

1. Does the Company currently maintain a manual containing the following?
- a. Written instructions or operations manual on all aspects of our business that defined the duties of each employee? ☐ Yes ☐ No
 - b. Security procedures? ☐ Yes ☐ No
 - c. Written Asset/Liability Management policy? ☐ Yes ☐ No
 - d. Written Treasury Management policy? ☐ Yes ☐ No
 - e. Annual reporting and review of outside business interests of all Directors and Officers? ☐ Yes ☐ No
 - f. A standard procedure for investigating and verifying employees prior to their employment? ☐ Yes ☐ No
2. Are the accounts of Directors and Employees reviewed regularly for unusual activity? ☐ Yes ☐ No

If **Yes**, by whom?

3. Are all employees required to take an uninterrupted, two-week holiday each calendar year? ☐ Yes ☐ No
4. Are new employees required to attend a training programme? ☐ Yes ☐ No
5. Are the duties of each employee arranged to prevent any one employee from controlling any transaction from commencement to completion? ☐ Yes ☐ No
6. Are unannounced and irregular change made in the position of employees within a particular job strata? ☐ Yes ☐ No

7. a. Is joint custody maintained for the safeguarding of:
- i) Access to property in safes or vaults? ☐ Yes ☐ No
 - ii) Codes, ciphers and test keys? ☐ Yes ☐ No
 - iii) Data processing memory storage facilities (tapes, files, discs, etc.)? ☐ Yes ☐ No
- b. Is dual control maintained for the handling of:
- i) All types of securities, negotiable and non-negotiable instruments, loan collateral and unissued and blank forms of said items? ☐ Yes ☐ No
 - ii) The reserve supply of official cheques and unissued travellers cheques? ☐ Yes ☐ No
8. Is there a Chief Security Officer? ☐ Yes ☐ No
- If **Yes**:
- a. Is the Chief Security Officer responsible for the development and administration of a comprehensive security program for the Company? ☐ Yes ☐ No
 - b. Does he report directly to the Managing Director and the Board of Directors? ☐ Yes ☐ No
 - c. Is there a schedule for inspecting and testing all security devices? ☐ Yes ☐ No
 - d. Are all branches formally inspected regularly? ☐ Yes ☐ No

D. Account Maintenance

1. When is a cheque or savings account considered dormant/inactive? _____
2. How are dormant/inactive cheque and savings accounts segregated and controlled?

3. State the maximum amount a teller is authorised to pay in cash in exchange for a withdrawal request or a cheque drawn on the bank:
 - (a) Without approval of an officer _____
 - (b) With approval of an officer _____
4. Do you permit cashing of cheques or withdrawals against uncollected funds? ☐ Yes ☐ No

If **Yes**, please describe circumstances and for what maximum amounts.

5. Do you permit cashing of cheques drawn upon other banks? ☐ Yes ☐ No

If **Yes**, please describe circumstances and for what maximum amounts:

E. Physical Security

1.

State Maximum Value of	Bearer or Negotiable	Cash, Bullion, Precious Securities Stones and Similar Items
at: Head Office:		
Branches:		
Austraclear or Similar Clearing Houses:		
Other Locations:		

2.

State Maximum Amount of Cash and Bearer and Negotiable Securities in Transit at any one time:	By Armoured Motor Vehicle		By Messenger(s)	
	Cash	Securities	Cash	Securities
at: Head Office:				
Branches:				
Austraclear or Similar Clearing Houses:				
Other Locations:				

3. Describe the alarm systems for all locations, including surveillance and other security measures for safeguarding the physical premises of the Company.

4. Teller Positions:

- i) Can each teller activate a hidden alarm? ☐ Yes ☐ No
- ii) Is excess teller cash immediately transferred to the vault? ☐ Yes ☐ No
- iii) Is all teller cash transferred to the vault at the end of each working day? ☐ Yes ☐ No
- iv) Are tellers provided with 'bait' money? ☐ Yes ☐ No
- v) Are teller's cash drawers verified as to content on an unscheduled basis? ☐ Yes ☐ No

F. Lending Procedures

1. Please provide your best estimates as respects forms of credit extended by the Company based on the total dollar volume and percentage of the Company's loan volume derived from each category.

	Volume S\$	Percentage of Loans %
a. Commercial Loans and Overdrafts	_____	_____
b. Residential Real Estate Loans	_____	_____
c. Personal Loans	_____	_____
d. Leasing	_____	_____
e. Construction Loans	_____	_____
f. Development Loans	_____	_____
g. Credit Card Loans	_____	_____
h. Foreign exchange dealing	_____	_____
i. Funds Management	_____	_____
j. Others, please specify (_____)	_____	_____
Total	S\$_____	100%

2. Do you operate and maintain a loan policy manual? ☐ Yes ☐ No

If **Yes**, does it include:

- a. individual lending limits? ☐ Yes ☐ No
- b. lending criteria? ☐ Yes ☐ No
- c. authority levels? ☐ Yes ☐ No
- d. collateral requirements and authentication procedures? ☐ Yes ☐ No

3. What is the highest individual amount of loan authority for officers who are not on the Loan Committee or on the Board of Directors?

4. Are the identities of all signatories independently verified for collateral agreements, loan authorisations, and notes? ☐ Yes ☐ No

5. Are all new and renewal loan applications and accompanying documents required to be signed in the presence of an officer? ☐ Yes ☐ No

If **No**, please explain what signature verification methods are used.

6. Are data collateral involved with the granting of loans, including loan participations, always verified as genuine on new and renewal loans before funds are disbursed? ☐ Yes ☐ No

If **No**, please explain what exceptions are made.

7. Is substituted collateral always verified before original collateral is released? ☐ Yes ☐ No
8. Is negotiable collateral kept under dual control? ☐ Yes ☐ No

If **Yes**, please explain procedures.

9. For the previous 2 years, indicate the amount of loans that are:

Date:	<u>DD / MM / YYYY</u>	<u>DD / MM / YYYY</u>
(a) 90 days or more past due:	S\$ _____	S\$ _____
(b) Non accruals:	S\$ _____	S\$ _____

10. Does the Board of Directors or a Loan Committee review all loans made? ☐ Yes ☐ No

If **No**, how is the loan review function accomplished?

G. Funds Transfer

1. Does the Company use or subscribe to any Electronic Funds Transfer Systems, which allow direct access by clients:
- a. to its data base? ☐ Yes ☐ No
- b. to execute a transfer of funds? ☐ Yes ☐ No

If so, please list each one including a brief description of the services offered; brief description of the system configuration; approximate number of clients.

2. (a) If the Company is involved in wire transfers of funds does it specify and define:

- i) Authorised personnel? ☐ Yes ☐ No
- ii) Authorised personnel of correspondents and corporate customers? ☐ Yes ☐ No
- iii) Call-back procedures? ☐ Yes ☐ No
- iv) Transfer limits? ☐ Yes ☐ No

(b) Please describe the method by which the Company secures fund transfer instructions through the use of passwords, encryption, testing, call back or other procedures.

(c) What form of control is used to protect the integrity of information or electronic data transmitted or received by the Company via electronic means? (Encryption, test keys, etc.).

(d) Are there independent individuals designated to review and reconcile all wire funds transfer transactions at the end of each day? ☐ Yes ☐ No

3. Does the Company clear debits and credits electronically through an automated clearing house or association?

If **Yes**, please list each clearing system.

H. Electronic and Computer Crime

Date Processing

1. Please provide a general description of the services performed by the Company's data processing operations.

2. Does the Company provide any of these services for any correspondent bank or other financial institution?

If **Yes**, please state the bank or financial institution.

3. List the approximate percentage of data processing performed according to the following source categories:

- a) In house operations: _____
- b) Arrangement with joint venture: _____
- c) Arrangement with service vendor: _____

4. Are the data processing centres physically separated from other departments? ☐ Yes ☐ No

Please describe the nature of the physical operation?

5. Are programming and processing operations separated physically and as to personnel involved? ☐ Yes ☐ No

6. Are the data processing centres specifically protected by the following:

Burglar Alarm ☐ Yes ☐ No

Camera System ☐ Yes ☐ No

Fire Suppression System ☐ Yes ☐ No

Guards ☐ Yes ☐ No

Access Control System ☐ Yes ☐ No

Other Methods: _____

7. Are there positive entry control procedures used to restrict the entry of non-authorised personnel into the Company's data processing centres? ☐ Yes ☐ No
8. Are the following entry control procedures utilised?
- | | |
|--|--|
| Mantrap entry System | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Television recorder to a central guard area | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Personal identification by shift supervisors | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Minicomputer badge System | <input type="checkbox"/> Yes <input type="checkbox"/> No |
9. Is at least one file generation stored and secured off-site from the main data centre? ☐ Yes ☐ No
- If **Yes**, is it stored in a restricted area? ☐ Yes ☐ No
10. Are tape/disc libraries physically separated from other departments in a restricted area? ☐ Yes ☐ No

Service Bureau or Facilities Manager Computer System

11. Does the Company utilise any person, partnership or organisation to convert source data to electronic data? ☐ Yes ☐ No

If **Yes**, please identify:

i) The name of the bureau or facilities manager _____

ii) The service provided.

12. Have all service bureaux/facilities managers been authorised by written agreement? ☐ Yes ☐ No
13. Does the Company require all service bureaux/facilities managers utilised to obtain separate fidelity insurance? ☐ Yes ☐ No

If **Yes**, for what minimum amount? _____

14. Does the Company provide bureau facilities to others?

If **Yes**, please provide full details.

Input and System Access

15. Are passwords used to afford varying levels of entry to the computer system depending upon the need and authorisation of the user? ☐ Yes ☐ No

16. Does the system enforce regular password changes? ☐ Yes ☐ No

If **Yes**, what frequency?

If passwords are not utilised, describe the alternative methods used to protect access to the computer system.

17. Do the personnel inputting data either initial, sign or otherwise identify data they prepare? ☐ Yes ☐ No

18. Is the use of terminals restricted to authorised personnel only? ☐ Yes ☐ No

19. Are unique passwords used to identify each terminal? ☐ Yes ☐ No

20. Are terminals restricted to the type of message that can be sent or received from them? ☐ Yes ☐ No

21. Are log-on passwords, separate from an individual operator's password, used when logging into a terminal to provide verification of the terminal's identity? ☐ Yes ☐ No

22. Do you utilise any software security packages to control access to your computer system? ☐ Yes ☐ No

If **Yes**, please specify packages used.

23. Do you use a software system to monitor telecommunications? ☐ Yes ☐ No

24. Is an exception log used which is regularly checked to verify the integrity of transactions? ☐ Yes ☐ No

Independent Contractors

25. Does the Company use independent contractors to prepare electronic computer instructions? ☐ Yes ☐ No

26. Are written agreements obtained from the independent contractors outlining their responsibilities? ☐ Yes ☐ No

27. Does the Company require the independent contractors to obtain separate fidelity insurance? ☐ Yes ☐ No

If **Yes**, for what minimum amount? _____

Internet Facility/E-commerce

28. Do you provide an Internet facility? ☐ Yes ☐ No

If **Yes**, do you offer:

a. product information? ☐ Yes ☐ No

- b. account balances? ☐ Yes ☐ No
- c. loan applications? ☐ Yes ☐ No
- d. account transfers on a pre-authorised basis? ☐ Yes ☐ No
- e. business/company account management facilities? ☐ Yes ☐ No
- f. insurance products? ☐ Yes ☐ No
- g. on-line securities dealing? ☐ Yes ☐ No
- h. other, please specify: _____
29. Are there formal terms and conditions in place for the use of your Internet facility, which outline the obligations and responsibilities of the users? ☐ Yes ☐ No
30. How is the identity of the user verified and authenticated?
- a. password? ☐ Yes ☐ No
- b. key encryption? ☐ Yes ☐ No
- c. digital signature? ☐ Yes ☐ No
- d. other, please specify: _____
31. Are firewalls and/or comparable software used to authorise access to your internet facility? ☐ Yes ☐ No
32. Do you monitor and produce reports on unauthorised access activity? ☐ Yes ☐ No
33. Do you have fully tested disaster recovery and business continuity plan? ☐ Yes ☐ No
34. Do you encrypt data whether in your internet facility or other computer system? ☐ Yes ☐ No

If **Yes**, please provide details.

I. Discretionary Account Management

1. Does the Company undertake trust activities or discretionary account management? If so:
- a) Are all client's agreements reviewed annually? ☐ Yes ☐ No
- b) Are all trust and/or discretionary transactions subject to the same procedures and review as the Company's own transactions? ☐ Yes ☐ No

If **No**, please describe:

c) State:

i) The number of discretionary accounts _____

ii) The asset value of the largest managed account _____

d) How often are financial reports rendered to clients?

e) Does the Applicant have an approved list of investments/securities that can be recommended to clients? ☐ Yes ☐ No

J. Fund or Investment Management

If you are involved in fund or investment management activities:

1. Does the Company currently maintain a manual containing a written investment policy? ☐ Yes ☐ No

2. Are trading transactions and positions reviewed for compliance with formal trading policies manual? ☐ Yes ☐ No

3. Are accounts of trades which exceed set limits identified or rectified or referred to senior management for immediate action? ☐ Yes ☐ No

4. Do counterparties receive authorised confirmation for all deals prior to settlement? ☐ Yes ☐ No

5. Are responsibilities for investment decisions segregated from accounting activities and custodial responsibilities? ☐ Yes ☐ No

K. Insurance Provider

If you provide insurance services:

1. Do you have and maintain a formal underwriting manual for all classes of insurance? ☐ Yes ☐ No

2. What is the percentage of business production in the following areas:

(a) agents _____

(b) direct sales _____

(c) brokers _____

(d) other, please specify _____

3. Are payments made direct to you? ☐ Yes ☐ No

4. Is the responsibility for the claims department totally segregated from underwriting? ☐ Yes ☐ No

5. Are the claims reviewed and agreed by minimum of two authorized individuals before payment is made direct to the insured? ☐ Yes ☐ No

L. Loss Experience

1. Has the Company at any time during the past 5 years (whether insured or uninsured) had any potential or actual losses under its bond programme? ☐ Yes ☐ No

If **Yes**, please provide, on a separate sheet, full details including but not limited to Date Discovered; Location; Nature of Loss; Amount of loss, actual or estimated; Remedial Action taken.

2. Please summarise on a separate sheet:
- Any litigation/legal action settled within the past 3 years or now pending that is not listed in Question 1 immediately above; and/or
 - Any action which the Company has reason to anticipate may be filed against it or any Director, Officer or Employee, which would be a subject of coverage under a bond programme.

Declaration

- We acknowledge that we have read and understood the Important Notices contained in this proposal.
- We agree that this proposal, together with any other information or documents supplied, shall form the basis of any contract of insurance.
- We acknowledge that if this proposal 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 the Insurer.
- We declare after enquiry that the statements, particulars and information contained in this proposal and in any documents accompanying this proposal are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted.
- We undertake to inform the Insurer of any material alteration to those facts before completion of the contract of insurance.

Important Notice

STATEMENT OF WARNING made pursuant to Ugandan Insurance Act - We would bring to your attention that you must disclose to us fully and faithfully the facts you know or ought to know otherwise you may not receive any benefits from your Policy.

Signature

Date

Note: This Proposal and all exhibits shall be treated in strictest confidence.

Subsidiary Information Form

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