COMMERCIAL CRIME PROPOSAL FORM

IMPORTANT NOTICE

It is important that you (the Proposer) provide full and detailed answers to all questions to enable the underwriter to properly assess the risk and quote terms that are fair and reasonable to both parties. Incorrect or non-disclosure of material information may prejudice the cover provided by this policy.

Do not sign any blank or partially completed proposal form; complete all forms in ink. Keep all documents handed to you and make note of what is said to you.

Don’t be pressurised to buy the policy.

HOW TO USE THIS FORM

This proposal form has been designed in a multiple choice format to make the answer process quick and easy. Please answer all the questions by selecting (with a x) the appropriate box.

The shaded questions can be skipped unless you have selected an answer that points to it.

Once completed, please fax the form to 011 778 9199 or email it to liability@camargueum.co.za. Alternatively, instead of completing this form, you can phone 011 778 9140 and telephonically relay these details to an underwriter who will prepare the quote.

The Camargue Quick & Easy from offers Camargue Commercial Crime cover up to R5,000,000 and is available to entities whose head office is domiciled in South Africa, with a turnover not exceeding R250 000 000 and a maximum staff complement of 500.

1 BROKER DETAILS

Broker
Contact Person Email
Phone Fax

CAMARGUE UNDERWRITING MANAGERS (PTY) LTD
(Reg No 2000/028098/07)
Authorised Financial Services Provider (License No. 6344)
Approved Coverholder for Lloyd’s of London and Underwriting Managers for Mutual & Federal Insurance Company Ltd

Camargue House, 33 Glenhove Road, Melrose Estate 2196
Postnet Suite 250, Private Bag X4, Bedfordview 2008
Tel: 011 778 9140 Fax: 011 778 9199
2 GENERAL INFORMATION

Name of Proposer ____________________________
Physical Address ____________________________
Registration Number ____________________________ VAT Number ____________________________
Contact Person ____________________________ Contact Number ____________________________
Business Description ____________________________

2.1 Are there any subsidiary companies that must be included?

No ☐
Yes ☐

Please detail these subsidiaries

<table>
<thead>
<tr>
<th>Name</th>
<th>Registration Number</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Note: Please remember that an entity can only be included as a subsidiary if:
* The proposer owns more than 50% of that subsidiary
* The entities are under the proposer’s direct control

For the rest of the proposal form, the Proposer means all the branches and entities to be insured under this policy. This means that the questions must be answered in a way that discloses their weaknesses also.

2.2 Number of Staff

How many people (employees and contractors) are under the proposer’s direct supervision?
This includes contractors who are treated similarly to ordinary employees.

Up to 100 people, please state the total number of people ☐
More than 100 ☐

<table>
<thead>
<tr>
<th>Staff count by Area</th>
<th>Permanent</th>
<th>Temporary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Includes persons who the proposer has contractually engaged with for a period of one year or longer.</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock (including warehousing, purchasing, sales, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other white collar workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other blue collar workers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.3 Does the Proposer have branches, subsidiaries, entities which are based outside of the RSA?

No ☐
Yes ☐

2.3.1 Please state the number of staff based outside of RSA in:

The rest of Africa ____________________________
Elsewhere in the world ____________________________

2.3.2 In which country does the Proposer’s head office reside? ____________________________

2.4 Does the Proposer’s annual turnover exceed R250,000,000?

No ☐
Yes ☐
3 EMPLOYEES

3.1 Do any of the persons involved in Finance, Admin, HR or Stock have any criminal convictions related to dishonesty:

- They are all checked for criminal records and there are no convictions relating to dishonesty
- Not all have been checked but there are no known convictions
- There are some convictions

3.1.1 Do any of the persons involved in Finance, Admin, HR or Stock currently have a negative credit record?

- Credit checks are done on all these people and none currently have a negative record
- Not all are checked, but there are no known negative credit records
- There are staff with current negative credit records

4 HUMAN RESOURCES

4.1 How often does someone who is not normally involved in the payroll’s update and preparation check to ensure that only current employees are on the payroll?

- At least once a month
- At least once a quarter
- At least once every 6 months
- At least once a year
- Less often

5 ACCOUNTING

An owner/manager is an individual who owns most of the proposer’s shares (more than 67%) and who runs the business.

5.1 Does the proposer’s processes allow for someone to make payments without the owner/manager’s knowledge?

- No, the owner/manager would be aware of all payments
- Yes, payments can be made without the owner/manager’s knowledge
- No application, there is no owner/manager as defined above

5.2 Which of the following require dual authority?

- EFT
- Cheque
- Loading or updating payment beneficiary details
- Petty cash disbursements

5.2.1 Are the persons loading and releasing the payments both required to check that the payment is being made against a suitable authorisation document (e.g. signed purchase order, delivery note or similar)?

- Yes
- No

5.3 Does the proposer have an annual formal budgeting process and is management approval required for payments which fall outside the budget?

- No formal budget
- Yes, there is a budget but it is a guideline only and is not strictly enforced
- Yes, there is a formal budget and any deviation requires management approval
- Yes, there is a formal budget but small purchases outside the budget do not require management approval
5.4 How does the proposer ensure that payments are made to the legitimate/correct bank account?

Always ask for a cancelled cheque or letter from bank
Always ask for bank details on customer letterhead
Other consistently adhered to process which ensures that correct bank details are captured
No consistently adhered to process
Not sure/cannot be determined at the moment

5.5 How often are banking and other finance passwords changed?

At least once every month
At least once every three months
Sometimes longer than three months

6 CASH

6.1 What is the typical maximum amount of cash and near cash on hand at any one time?

This includes petty cash, payments by debtors, creditor’s payments, etc. Near cash includes coins and negotiable securities such as cheques, etc.

Less than R 50,000
Less than R 100,000
Less than R 250,000
Less than R 2,500,000
More than R 2,500,000

6.1.1 Is the proposer paid in cash for goods/services?

Never
Less than once a month
Typically less than 5 times a month
Typically less than 20 times a month
More than 20 times a month

6.1.2 How often are cash reconciliations done?

Daily
At least weekly
At least monthly
Less often

6.1.2.1 Are the bank reconciliations and cash book entries done by the same person?

No, the proposer’s processes don’t allow this
Yes, but it happens very seldom
Yes

6.2 How often are all the proposers’ bank statements reconciled?

At least weekly
At least monthly
At least Quarterly
Other intervals
Not all bank statements are reconciled

6.3 Is physical access to the proposer’s check books properly secured?

Yes
No
N/A - no cheque book
7 DEBTORS

7.1 How many days does an account need to remain unpaid before someone, other than the person doing debtors collections, contacts the non-paying customer?

- Up to 60 days
- Up to 90 days
- Up to 120 days
- More than 120 days

7.2 Are the people who create the invoices and do the debtor’s collections able to manipulate journals and credit notes so that outstanding debtors are removed from the debtor’s age analysis?

- Yes
- No

7.3 How often does the proposer’s internal audit department investigate the proposer’s bank account details given to debtors?

- At least once a quarter
- At least once a year
- Less than once a year
- N/A. No internal audit department

7.4 Does the proposer have a (consistently adhered to) process to quickly revoke the computer access of those who leave the proposer’s employ?

- Yes
- No

8 STOCK AND WAREHOUSING

For the purposes of the following questions, the term stock not only includes the insured’s own property but also third party property in the insured’s care (such as items sent for repairs, 3rd party warehousing, transport services and money/securities stored on behalf of others).

8.1 What is the typical maximum value of stock in the Insured’s care at any one branch/office?

- Less than R30,000
- Less than R250,000
- Less than R2,500,000
- Less than R25,000,000
- More than R25,000,000

8.2 How much of the stock consists of items costing R1000 or more and which can be placed in a clothing pocket? E.g. jewellery, ipod, cell phone, etc.

- None or very little
- Less than a quarter of the stock
- More than a quarter of the stock

8.3 How much of the stock consists of items costing R1000 or more and can easily be carried on your person? E.g. laptop, text books, etc

- None or very little
- Less than a quarter of the stock
- More than a quarter of the stock

8.4 How is physical access to the stock controlled?

- No formal control
- Kept in a locked room or locked cabinet with restricted access
- Stock is only released when a formal document (e.g. invoice, etc.) is given to an independent person (e.g. security guard, stock controller, etc.)
8.5 How often are stocktakes done?
- At least once a month
- At least once every 3 months
- At least once every 6 months
- At least once a year
- Stock takes are not always done every 12 months

8.6 Are the people who normally work with the stock able to distort the results of a stock take so that theft of stock remains undetected?
- No, employees who work with the stock are not able to distort stocktake results
- Yes, it is possible that employees who work with the stock to distort stocktake results
- N/A, no formal stock takes done

8.7 Did the results of stocktakes during the past 12 months suggest that adequate control over the stock was being maintained?
- N/A stocktakes no stocktakes done
- The results clearly show that excellent control is being maintained
- The results show that reasonable control is being maintained
- The stocktake results were inconclusive
- The results indicated a problem in stock control

8.8 Does the proposer have separate receiving and dispatching bays?
- No
- Yes

8.8.1 Do any of the staff overlap between these two areas?
- No staff work in both areas
- Yes, there are staff who work in both areas

8.8.2 Is there is separate product returns section?
- Yes
- No

8.9 How much of the area containing stock is monitored using CCTV coverage?
- All of the area containing stock
- At least 90% of the area containing stock
- At least half of the area containing stock
- Only the entrances and exits
- Limited or no coverage

Stock documents means the documentation used for controlling the receiving or dispensing of stock.

8.10 Are stock documents generated by an automated computer system or are they manually generated?
- Only computer generated documentation is used
- Manual documentation is used less than once a quarter
- Manual documentation is used more than once a quarter
9.1 What was the result of the most recent audit (or audit review if applicable)?

- Unqualified opinion
- Qualified opinion
- Adverse opinion or disclaimer of opinion
- No recent audited financials available
- Not trading long enough to have a full years financial statements

9.1.1 The proposer’s most recent audited financials are for the period ending on:

9.1.2 When did the proposer start trading?

10 CYBER RISKS

10.1 How often does the proposer run anti-virus updates on its computers?

- They are run automatically as often as they are available
- They are updated occasionally
- No specific policy is enforced
- Not known/cannot be determined

10.2 Does the proposer operate a computer network?

- No
- Yes

10.2.1 Does the proposer run a firewall with Intrusion Prevention Services?

- No
- Yes

10.2.2 Does the proposer run a stateful firewall?

A stateful firewall keeps track of the state of network connections (such as TCP streams, UDP communication) traveling across it. It is programmed to distinguish legitimate packets for different types of connections. Only packets matching a known active connection will be allowed by the firewall; others will be rejected.

- No
- Yes

10.2.3 How often are firewall updates/upgrades run?

- They are run automatically as often as they are available
- They are updated occasionally
- No specific policy is enforced
- Not known/cannot be determined

10.3 Have the proposer’s employees had awareness training on the risks of opening unsolicited emails or clicking on unknown links?

- Yes, all or almost all employees using the Insured’s computers have had awareness training
- No
- No specific awareness policy is enforced
- Not known/cannot currently be determined
What security measures does the proposer enforce when mobile devices (laptops, smart phones, tablets, etc.) synchronise with the proposer’s mail server?

10.4 Are all the devices password protected?
- Yes all are protected
- Almost all the devices are password protected
- Some of the devices are protected
- No specific policy is enforced
- Not known/cannot currently be determined

10.5 Is the “remote wipe” facility enabled on those devices with that functionality?
- Yes
- Almost all the devices have this functionality enabled
- The functionality is enabled on some of the devices
- No specific policy is enforced
- Not known/cannot currently be determined

11 CLAIMS HISTORY

Please list all incidences of employee dishonesty and cybercrime against the Proposer over the past 36 months

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Lost</th>
<th>Category</th>
<th>Brief Description of Method</th>
</tr>
</thead>
<tbody>
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12 OTHER

12.1 Does the proposer engage in any of the following:
- Acting as a financial Institution
- Manufacturing tobacco
- Gambling of any nature
- Pharmaceuticals (except pharmacies)
- Security companies and cash distribution

12.2 Does the proposer derive more than 10% of its income from the following activities
- Agricultural Co-operatives
- Cell phone air time and hand set sales
- Jewellery sales
- Motor spares manufacture or sales
- General hauliers (including logistics and 3rd party warehousing)
- Labour broking services

12.3 Has any Insurer declined a proposal, cancelled or refused to renew or impose special conditions on the Proposer’s Commercial Crime or Fidelity Insurance?
- Yes
- No
If this policy is replacing a similar policy, then its Retroactive Date will match the date of the policy it replaces.

If it is not replacing a policy, then the Retroactive Date, should a policy be issued, will be the inception date of this policy. In some cases it is possible to purchase an earlier retroactive date.

12.4 Please state by how much the Retroactive Date should precede the inception of this policy: ____ months

12.5 Is this policy to be paid monthly or annually?
   - Annually  [ ]
   - Monthly   [ ]

12.6 What currency must this policy be issued in? ________________

DECLARATION

We declare that the statements and particulars in this proposal are true and that we have not misstated or suppressed any material facts. We agree that this proposal together with any other information supplied by us, shall form the basis of any contract of insurance effected thereon, and shall be incorporated therein. We undertake to inform the company of any material alteration to these facts, whether occurring before or after completion of the contract of insurance. Signing this proposal form does not bind the proposer to complete this insurance, nor does it bind the Insurer to accept the proposal.

Signed  ___________________________________________ Name  ________________________________

Capacity ___________________________________________ Date  _________________________________