

Important Notice

- Answer all questions leaving no blank spaces.
- If you have insufficient space to complete any of your answers, continue on your headed paper.
- It is the intention of Underwriters that any Contract of Insurance with the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer. If a quotation is offered it will be the intention of Underwriters to offer coverage only in respect of those entities named in answer to Question 1.
- Completion of this form does not bind the Proposer or Insurer to complete the insurance transaction.

1 | General Information

Details of entities to be insured (the "Proposer")

Proposer's Name: ARMAMENTS CORPORATION OF SOUTH AFRICA SOC LTD

ID number (if Sole Trader): 1968/008611/30

Head Office (Physical Address): 370 NOSSOB STREET

ERASMUSKLOOF EXTENSION 4, PRETORIA

Postal Code: 0181

Postal Address: PRIVATE BAG X337

PRETORIA

Postal Code: 0001

Company Reg No: 1968/008/611/30

VAT No: 4500101169

Professional Association(s):

Contact Person: VERONICA SEEKOE

Contact number: 012 428 3064

Email: insurance@armscor.co.za or VeronicaS@armscor.co.za

Website: www.armscor.co.za

Date Company Established / Services Commenced:

01 / 08 / 1968

As currently constituted (If commenced within the past 24 months –
Please attach CV of key personnel/Directors/Principals)

Date Company Established / Services Commenced:

• 01 / 08 / 1968

As initially established:

Company Legal Constitution:

Partnership / Private Company / Public ☒ Company / Close Corporation /
Non-profit Organisation / Government / Sole Proprietor

Activities of proposer

What are your main services/activities?

ARMAMENTS REQUIREMENTS FOR RSA (DOD)

1.1. Please list the Proposer and any subsidiaries that must be included within cover:

Countries in which the Proposer has operations	Type of activities	Number of locations		Number of employees		Revenue		
		Prior Year	Current Year	Prior Year	Current Year	Currency	Prior Year	Current Year
South Africa	Dormant	6	6	1386	1363	ZAR	1 914 301 000	1 965 204 000

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 too.

2 | Insurance History

2.1. Are you in the present or have you in the past been Insured, for the type of Insurance now being proposed?

YES	☒	NO	☐
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If YES, please state:

Insurers: CAMARGUE

Limit of Indemnity:	R 30 000 000.00
Excess:	R 3 500 000.00
Premium:	R 362 235.00
Date of expiry of coverage:	31 MARCH 2026
Retroactive Date:	01 APRIL 2022

2.2. For the type of Insurance now being proposed, has any Insurer ever:

2.2.1. Required an increased premium, deductible/excess or imposed special terms?

YES	☐	NO	☒
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2.2.2. Refused to accept or renew any insurance for the Proposer?

YES	☐	NO	☒
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2.2.3. Cancelled the insurance?

YES	☐	NO	☒
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3 | Required Cover

3.1. State the LIMIT OF INDEMNITY and EXCESS required:

Limit: 30 000 000.00	R 50 000 000.00	R	R
Excess: 3 500 000.00	R 4 500 000.00	R	R

3.2. Do you have a current insurance policy in place whose retroactive date should be adopted? If so, please provide expiring policy schedule reflecting retroactive dates and limits of indemnity.

YES	☒	NO	☐
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4 | Previous Losses / Existing Circumstances

4.1. Is any Principal, AFTER FULL ENQUIRY, aware of any circumstance (regardless of whether the quantum fell within the deductible/excess) which might:

4.1.1. Give rise to a claim against the Proposer, any predecessor or any past or present Principal?

YES	☐	NO	☒
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4.1.2. Cause any loss to the Proposer, any predecessor or any past or present Principal?

YES	☐	NO	☒
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4.1.3. Otherwise affect the consideration of this proposal for insurance?

YES	☒	NO	☐
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If YES, please provide details:

REFER TO INCIDENTS NOTED IN 4.2 BELOW

4.2. Please list all incidences of employee dishonesty and cybercrime against the Proposer over the past 5 years.

Date of Loss	Date of Discovery	Amount Lost	Description of incident
November 2022 - 30 June 2025	1 July 2025	R5 836 414.69	The employee was found guilty and dismissed for using
Unknown	10 September 2024	Unknown	The employee was found guilty and dismissed for soliciting a
Unknown	16 August 2024	Unknown	Two employees were found guilty and dismissed for stealing

4.3. What steps have been taken to prevent a recurrence and/or mitigate future losses of a similar nature?

Rollout training in the organisation to managers/supervisors about discipline and the consequences thereof. With regards to the incident in July 2025, a criminal case has been opened and necessary steps taken to withheld the employee's pension funds.

5 | Staff Risk

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

Total Staff (both permanent and temporary)

1363

Staff count by area	Permanent Includes persons who the proposer has contractually engaged with for a period of one year or longer.	Temporary
Finance	75	1
Admin	161	4
HR	18	1
Stock (including warehousing, purchasing, sales, etc.)	12	3
Other white collar workers	754	32
Other blue collar workers	302	0

5.2. Background checks performed prior to hiring new staff and/or promoting staff to positions of trust:

5.2.1. All staff are all checked for criminal records and there are no convictions relating to dishonesty.	YES ☒	NO ☐
5.2.2. Not all staff have been checked for criminal records, but staff in positions of trust (those controlling or having access to money and/or stock) are checked and there are no known convictions.	YES ☒	NO ☐
5.2.3. Not all staff have been checked for criminal records, but there are no known convictions.	YES ☒	NO ☐
5.2.4. There are staff who have a criminal records and/or history of dishonesty.	YES ☐	NO ☒
5.2.5. All staff are checked for negative credit records and there are no negative records.	YES ☒	NO ☐
5.2.6. Not all staff have been checked for negative credit records, but staff in positions of trust (those controlling or having access to money and/or stock) are checked and there are no known negative records.	YES ☒	NO ☐
5.2.7. No staff are checked for negative credit records.	YES ☐	NO ☒
5.3. Do you have an enforced leave policy?	YES ☒	NO ☐
5.4. Does the Proposer outsource the payroll function to an independent third party?	YES ☐	NO ☒

5.5. If the payroll function is not outsourced, please advise how regularly someone who is not normally involved in the payroll's update and preparation checks 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 ☐	

6 | Financial Risk

6.1. Please complete the below in respect of the first party and third party funds held and/or managed by the Proposer and all subsidiaries required to be covered hereunder:

Currency	Last Financial Year		Current Financial Year		Forthcoming Financial Year Estimate	
	31 / 03 / 2025		31 / 03 / 2026		31 / 03 / 2027	
	South Africa	Non-South African	South Africa	Non-South African	South Africa	Non-South African
Gross Annual Revenue	R525,135,000	0	R425,257,216	0	R454,519,794	0
Third Party Funds Held	R647,622,452	0	R612,261,727	0	R27,029,876	0

6.2. Are third party funds held in separate bank accounts to the Proposer's own funds?	YES ☐	NO ☒	N/A ☐
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6.3. Are third party funds held in a single pool of funds?

YES	☒	NO	☐	N/A	☐
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6.4. Please indicate which of the below require dual authority to process:

6.4.1. EFT / Payment instructions

YES	☒	NO	☐	N/A	☐
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6.4.2. Cheque

YES	☐	NO	☐	N/A	☒
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6.4.3. Loading or amending payment beneficiary details

YES	☒	NO	☐	N/A	☐
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6.4.4. Petty cash disbursements

YES	☒	NO	☐	N/A	☐
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6.4.5. Purchase / Procurement / Requisition orders

YES	☒	NO	☐	N/A	☐
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6.5. Are there controls and procedures in place which require that there is always at least one executive and/or employee in a managerial position which authorises each payment?

YES	☒	NO	☐
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6.6. Is there a segregation of duties between persons loading and releasing payments, where both are required to check that payment is being made against a suitable authorisation document (e.g. signed purchase order, delivery note or similar)?

YES	☒	NO	☐
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6.7. Is there an annual formal budgeting process where deviations from budget require management review and approval?

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 but small purchases outside the budget do not require management approval	☒
Yes, there is a formal budget and any deviation requires management approval	

6.8. How does the Proposer ensure that payments are made to the legitimate/correct bank account?

Always ask for a cancelled cheque or letter from the bank	☒
Always ask for bank details on the beneficiary's letterhead	
No formal procedure in place	
Other consistently adhered to procedure, per the below explanation	☒

For CSD registered users - using the CSD report downloaded from the CSD website before making a payment.
For Users not registered on CSD - ABSA real-time Account verification service is used when loading beneficiary details.

6.9. Can payment only be made into accounts which are pre-determined as an approved beneficiary?

YES	☒	NO	☐
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6.10. Does the Proposer have procedures in place which require staff to confirm that electronic instructions received (e.g. via email) are from a legitimate source, as well as verifying the information contained within?

YES	☒	NO	☐
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6.11. Is a financial institution required to authenticate the instruction in accordance with a specified mandate before payment is released?

YES	☐	NO	☒
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6.12. How many days does an account need to remain unpaid before someone, other than the person performing debtors' collections, contacts the non-paying customer?

Up to 60 days	☒
Up to 90 days	☐
Up to 120 days	☐
More than 120 days	☐

6.13. Are the people who create the invoices and perform the debtors' collections able to manipulate journals and credit notes so that outstanding debtors are removed from the debtors' age analysis?

YES	☐	NO	☒
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7 | Cash Risk

For the purposes of this section, "Cash" shall include petty cash, payments by debtors, creditors' payments, etc. Near cash includes coins and negotiable securities such as cheques, etc.

7.1. What is the typical maximum amount of cash and near cash on hand at any one time in a single location?

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	☐

7.2. 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	☐

7.3. How often are cash reconciliations done?

Daily	
At least weekly	✓
At least monthly	
Less often	
Not applicable	

7.4. 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, frequently.	

If you answered "Yes, frequently", to the above, please advise what risk management is in place to prevent and/or detect fraud:

7.5. How often are all the Proposers' bank statements reconciled?

At least weekly	
At least monthly	✓
At least quarterly	
Other intervals	

If the bank statements are reconciled less frequently than quarterly and/or not reconciled, please advise what risk management is in place to prevent and/or detect fraud:

7.6. Is physical access to the Proposer's cheque books properly secured?

YES	☐	NO	☐	N/A - no cheque book	☒
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8 | Stock Risk

Should cover not be required for the theft of stock, please leave this section blank. Should this section not be completed, cover will be excluded for losses arising out of theft of stock and/or property.

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

8.1. What is the typical maximum value of stock in the Proposer's care at any one branch/office?

Less than R 30,000	Less than R 10,000,000	☒
Less than R 250,000	Less than R 25,000,000	
Less than R 1,000,000	Less than R 50,000,000	
Less than R 2,500,000	More than R 50,000,000, per the below	
Less than R 5,000,000		

8.2. Please complete the following in order to provide an estimate of the type of stock held:

Description	(%)	Description	(%)
Low value raw materials		Non-precious metals and similar	
Medium value raw materials		Precious metals	
High value raw materials		Finished goods	45%
Electronic equipment		Motor-vehicles and related parts	
Electronic consumer items (phones, tablets etc.)		Consumer items, including foodstuffs	6%
Printing consumables	49%		

8.3. How is physical access to the stock controlled?

Only authorised Stores Personnel are permitted to access areas where stock is kept. Clients and suppliers are only allowed to enter these

8.4. Are these premises connected to an intruder alarm which is connected to a central station and/or policy station, with intruder alarms maintained in proper working order?

YES	☐	NO	☒
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8.5. Please describe the process of controls involving the movement of stock, highlighting any points where dual authority and/or segregation of duties is used, as well as how the legitimate instructions to move stock are verified in the below scenarios (should any individual involved in the scenarios below NOT be an employee of the Proposer, please advise to such):

8.5.1. Acceptance of stock into the Proposer's care and/or onto their premises.

Only SCM Stores personnel are authorised to receive stock from suppliers. Upon delivery, all items are verified against a valid

8.5.2 Movement of stock within and/or between the Proposer's premises (for example, between warehouses or properties).

SCM Stores operates a single(Stores) warehouse facility. Stores personnel are permitted to reassign storage bin locations within

8.5.3 Discharge of stock from the Proposer's care and/or from their premises.

Upon receipt of an approved workflow service request, SCM Stores personnel will pick the requested items and deliver them to the

8.6. In the event of weighbridges being utilized to determine the amount of stock which enters and leaves the Proposer's premises, are these weighbridges secured to ensure that they are tamper-proof and serviced regularly in line with product manufacturer specifications?

YES	☐	NO	☐	N/A	☒
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8.7. In the event of weighbridges being utilized, please confirm that the vehicles are physically inspected to ensure that readings are accurate and that the weight is in no way manipulated?

YES	☐	NO	☐	N/A	☒
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8.8. Are stock documents generated by an automated computer system or are they manually generated?

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

Only computer generated documentation is used	☐
Manual documentation is used less than once a quarter	☐
Manual documentation is used more than once a quarter	☒

If you answered that manual documentation is used more than once a quarter, please detail below how the Proposer manages the risk of falsified stock documentation given the heavy reliance on these documents

To date,no instance of falsified stock documentations identified or reported.

8.9. How frequently are stocktakes performed and how frequently are the results independently verified?

Frequency	By staff involved in the day-to-day stock keeping	By independent staff not involved in the day-to-day stock keeping
At least once a month		
At least once every 3 months	Yes	SCM Stores conducts regular stock taking
At least once every 6 months		
At least once a year		
Stock takes are not always done every 12 months		

8.10. 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 employee who work with the stock can distort stocktake results

N/A, no formal stocktakes done

If you answered Yes to the above question, please detail how the Proposer manages the risk of concealed stock theft?

It is possible because the process is manual, however there are controls in place to prevent distorting of stock take results such as the

8.11. Did the results of stocktakes during the past 12 months suggest that adequate control over the stock was being maintained?

The results clearly show that excellent control is being maintained

The results show that reasonable control is being maintained

The results were inconclusive

The results indicated a problem in stock controls

N/A, stocktakes not done

If you answered that the results were inconclusive or indicated a problem with stock control, please elaborate on how the risk of stock theft is being managed

The results show that reasonable control is being maintained

8.12. What is the percentage of total annual stock which is written off in a year due to unexplained shortages?

Less than 2%

8.13. Does the proposer have separate receiving and dispatching bays?

YES

NO

If YES, please answer questions below

a) Do any of the staff overlap between these two areas?

No – No staff work in both areas

Yes – There are staff who work in both areas

b) Is there is separate product returns section?

YES

NO

8.14. 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



8.15. For what duration is CCTV footage retained?

3 years

9 | Audit and Controls

9.1. Please provide signed and dated audited financials for the last financial year. If these are not available, please provide a reason below:

Not trading long enough to have a full years financial statements
Not required to have audited financials due to:

9.2. Do external auditors audit all operations at least annually?

YES	☒	NO	☐
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If 'YES', please provide the name of the firm:

9.3. Are all locations/branches audited?

YES	☒	NO	☐
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9.4. Have all recommendations by external auditors regarding internal controls been complied with following your last audit?

YES	☒	NO	☐
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If 'NO' please provide further details below:

9.5. Are stocktake results reviewed and independently confirmed by external auditors?

YES	☒	NO	☐
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9.6. Please answer the following questions regarding internal audits, if applicable:

Does the Proposer have an internal audit department?	YES	☒	NO	☐
Is there an established audit cycle?	YES	☒	NO	☐
How many staff are assigned to this department?		20	N/A	☒
What is the frequency of the audit cycle?		3 yrs	N/A	☐
Are surprise audits made?	YES	☐	N/A	☒

9.7. 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	

9.8. Does the Proposer have mechanisms in place for ensuring that all of the controls and procedures of the Proposer are consistently adhered to by staff?

YES	☒	NO	☐
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10 | Computer Risks

10.1. 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	

If you answered that changes occur longer than three months, please elaborate on any risk management procedures in place surrounding this:

10.2. 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	☐
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If 'NO', please elaborate on any risk management procedures in place surrounding this:

10.3. 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	☐

10.4. Does the Proposer run a firewall with Intrusion Prevention Services?

YES	☒	NO	☐
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10.5. 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.

YES	☐	NO	☐
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10.6. 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	☐

10.7. Have the Proposer's employees had awareness training on the risks of opening unsolicited emails or clicking on unknown links?

Yes, formal training has been provided	☒
Yes, informal training has been provided	☐
No, no training has been provided	☐

10.8. Have the Proposer's employees had awareness training on the risks of relying on payment instructions, requests to change banking details and similar instructions over email (i.e. spoofing and/or fake president attacks)?

Yes, formal training has been provided	☒
Yes, informal training has been provided	☐
No, no training has been provided	☐

10.9. What security measures does the Proposer enforce when mobile devices (laptops, smart phones, tablets, etc.) synchronise with the Proposer's mail server?

The Armscor ICT policy does not allow smartphones and tablets to synchronise onto the Armscor email server. Only devices that are on the

10.10. Are all the Proposer's devices password protected?

YES	☒	NO	☐
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10.11. Is the "remote wipe" facility is enabled on those devices with that functionality?

YES	☒	NO	☐
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11 | Special Consideration Industries

11.1. Does the Proposer engage in any of the following:

Acting as a financial institution	
Agricultural Co-operatives	
Gambling of any nature	
General hauliers (including logistics and third party warehousing)	☒
Government or state-owned entities	☒
Hospitality and/or tourism industry	
Jewellery sales	
Labour broking services	☒
Production and/or storage of pharmaceuticals (except pharmacies)	
Retail, production and/or storage of alcoholic beverages	
Retail, production and/or storage of high value electronics (TV's, audio equipment etc.)	
Retail, production and/or storage of motor spares or vehicles	
Retail, production and/or storage of tobacco	
Retail, production and/or warehousing of cell phones, airtime and handset sales	
Security companies and/or cash distribution	

AUTHORISED FINANCIAL SERVICES PROVIDER, LICENCE NUMBER: 6344. APPROVED LLOYD'S COVERHOLDER PIN: 107824DRW

Camargue Underwriting Managers (Pty) Ltd. Co. Reg. No. 2000/028098/07.
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Underwritten by certain underwriters at Lloyd's, Compass Insurance Company Limited and Bryte Insurance Company Limited

Declaration

We declare that the statements and particulars in this proposal form are true to the best of our knowledge and belief and that we have not misstated, suppressed or omitted any material facts. We agree that this proposal form 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 Insurers of any material alteration of these facts whether occurring before or after completion of the 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 Camargue Underwriting Managers (Pty) Ltd.

Privacy Statement

I/We consent to Camargue Underwriting Managers processing my/our personal information as per the Privacy Statement which may be accessed here: <https://www.camargueum.co.za/legal>

Veronica Mosima Seekoe

Senior Manager: Corporate Finance

Name

Capacity



23 FEBRUARY 2026

Signature of the Proposer

Date DD/MM/YYYY

Broker Details

Broker:

Contact Person:

Tel:

Email:

Fax number:

