



Directors & Officers Insurance Proposal Form

Important Information for the Applicant

Please read the following information before completing this Proposal

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you may be aware of, or could reasonably be expected to be aware of, that is relevant to the insurers decision about insuring you and if so, on what terms.

You have the same duty to disclose these matters to us before you renew, extend, vary or reinstate a contract of insurance.

Your duty however does not require disclosure of a matter: -

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

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from the beginning.

It is therefore vital that you enquire of all entities comprising the insured, including senior staff, before completing the proposal form and before you sign any declaration confirming no change in the information disclosed.

Claims Made Policy

This proposal form is for Professional Indemnity Insurance which is a "Claims Made" policy. This means the policy covers you for claims made against you and notified to the insurer during the period of insurance.

It does not provide cover in relation to:

- events which occurred prior to the policy's retroactive date, if any, specified in the schedule;
- claims made, threatened or intimated before the period of insurance commenced;
- claims arising from factors or circumstances of which you first became aware before the commencement of the policy and which you knew or ought to have known, had the potential to give rise to a claim under the policy or any previous policy;
- claims arising from circumstances noted on the proposal form or any previous proposal form.
- Subject to what is said in the next paragraph, claims made after the period of insurance expires even where the event giving rise to the claim occurred during the period of insurance.

However, where you give notice, pursuant to Section 40 (3) of the Insurance Contracts Act, to the Insurer of facts that might give rise to a claim against you prior to the expiry of the period of insurance, the policy will, subject to its terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of insurance.

Average Provision

The insurer provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of the claim, the liability of the Insurer for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under the policy bears to the amount paid to dispose of the claim.

Surrender of Waiver of any Right of Contribution or Indemnity.

Where another person or company would be liable to compensate you for any loss or damage otherwise covered by this policy, but you have agreed with that person or company either before or after the loss or damage occurred that you would not seek to recover any loss or damage from that person or company, the Insurer will not cover you under the policy or such loss or damage unless agreement of the Insurer was obtained beforehand.

PRIVACY ACT CLAUSE

PI Direct Insurance Brokers Pty Ltd is committed to protecting the privacy of the personal information you provide us. PI Direct collects uses and retains your personal information in accordance with the Privacy act 1998 (Cth) and the Australian Privacy Principles.

We need to collect the personal information on the applicable proposal form to consider your application for insurance and to determine the premium (if your application is accepted) when you are applying for, changing or renewing an insurance policy with us. This information will also be used if you lodge a claim under your policy. We may also need to request additional information from you in connection with your application or a claim.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure.

We may disclose the personal information we collect:

- To our relevant employees involved in delivering our services;
- If your insurance broker collects this form from you, to that broker;
- To facilitators such as legal firms, professional experts such as accountants, actuaries, engineers and technology experts;
- To the insurance companies with whom we transact business;
- To the Lloyd's Syndicates we represent (which are located in the United Kingdom) ;
- To insurance reference bureau or credit reference bureau;
- To reinsurers or reinsurance brokers (which may include reinsurers located outside of Australia).

In those instances where your information is provided to an overseas insurer, we will try to tell you where those companies are located at the time of advising you.

Where we do disclose the information as above the recipient may hold the information in accordance with its own privacy statement / policies. Those may include, by way of example, disclosing the information to and storage of that information by its associated entities which may be located overseas. Full details can be found on the recipient's website. However, we can also provide a copy to you on request.

We may also be required to provide your personal information to others for purposes of public safety and law enforcement and if required by law or by a law enforcement body to do so.

By completing and returning the proposal form and/or providing us with any additional information in connection with your application, you agree to us using and disclosing your information as set out above.

This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notice.

For more information about how to access the personal information we hold about you, how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy, visit our website www.pidirect.com.au or contact our Managing Director on 07 3387 2816.

Code of Practice

As a member of NIBA, P.I. Direct complies with the Insurance Brokers Code of practice. As a result, our clients can expect that we commit ourselves to high standards of customer service including a free and transparent complaints and compliance review process.

For more information regarding the Code and its requirements please contact PI Direct or visit www.niba.com.au/codeofpractice/index.cfm

Completion of Proposal Form

Please complete all questions fully. If there is insufficient space provided to answer any question, please provide details on your letterhead.

Section 1: Your Details

- 1.1 Please provide the full legal name of each natural person, incorporated body and subsidiary to be insured including any unincorporated body or trading name:

Name: _____

Date Established: _____ Country of Registration: _____

ABN: _____

- 1.2 Are you registered for GST purposes? Yes No

- 1.3 Principal Address of the proposer.

Other Addresses:

- 1.4 Contact Details:

Telephone No: _____ Mobile: _____

Email Address: _____ Website: _____

Section 2: Ownership

2.1 i. Type of Company:

Private

Government Owned

Public Listed

Mutual

Public Unlisted

Other

If "Other" please provide details

ii. If the Company or any of its subsidiaries have securities which are either publicly listed, or have unlisted securities issued, then please provide details (including but not limited to the stock exchange, type of securities etc).

2.2 Please list all shareholders who control more than 10% of the Company's share capital And the percentage of shares held by those shareholders.

Shareholder	Percentage (%)
	%
	%
	%
	%
	%
	%

Section 3: **Your Company Activities & History**

3.1 Please describe the Company's business activities:

3.2 During the past 3 years has:

- | | | | |
|------|---|-----|----|
| i. | the name of the Company changed? | Yes | No |
| ii. | the capital structure of the Company changed? | Yes | No |
| iii. | any subsidiary of the Company been sold or ceased trading? | Yes | No |
| iv. | any acquisition involving the Company taken place? | Yes | No |
| v. | The Company issued any prospectus or public offering of securities (including equities, debt, share, notes, bonds or debentures)? | Yes | No |

- 3.3
- | | | | |
|-----|--|-----|----|
| i. | Has the Company any acquisition, tender offers, or mergers pending or under consideration? | Yes | No |
| ii. | Is the Company aware of any proposed acquisition of the Company or any of its subsidiaries by any other party? | Yes | No |

If the answer to either questions 3.2 or 3.3 is **Yes** please provide further information in the space below.

Section 4: Your Internal Controls & Corporate Governance

- | | | | |
|-----|---|-----|----|
| 4.1 | Has the Company changed its external auditor in the last 3 years or is it intending to change their external auditor in the next 12 months? | Yes | No |
| 4.2 | Within the last 12 months has the Company's external auditors stated that there are any material weaknesses or made any recommendations / changes in the Company's system of internal controls? | Yes | No |
| 4.3 | Within the last 3 years has the Company had any disputes with its external auditors regarding internal treatment of financial information or revenue recognition practices? | Yes | No |
| 4.4 | Has the Company ever re-stated its financial results or is it intending to re-state its financial results in the next 12 months? | Yes | No |
| 4.5 | Since the date of the latest Financial Statements included with this proposal, have there been any developments which have adversely impacted the financial position of the Company? | Yes | No |
| 4.6 | Has the Company ever been questioned by regulators concerning their continuous disclosure obligations? | Yes | No |
| 4.7 | Within the last 12 months have there been any changes to the board members or structure of the company? | Yes | No |

If you have answered "Yes" to any of the questions 4.1 to 4.7 please provide full details.

- | | | | |
|-----|---|-----|----|
| 4.8 | Does the Company have in place policies with respect to directors & officers trading in the company's securities? | Yes | No |
| 4.9 | If the Company is listed on a Stock Exchange, does the Company meet the required Corporate Governance standards and/or best practice recommendations concerning corporate governance? | Yes | No |

If the answer is "No" to either question 4.8 or 4.9 please provide further information

Section 5: Your USA Exposures

5.1 Is cover required for USA operations or activities? Yes No

If the answer is **Yes** please complete the rest of the questions in this section.
If not please proceed to Section 6.

5.2 Does the Company have any subsidiaries or business operations in the USA? Yes No

If **Yes** please provide a list of these subsidiaries and their business operations.

5.3 Does the Company have an equity interest in any US based businesses or operations? Yes No

If **Yes** please provide further details including the name of the entity
and the Company's equity interest.

5.4 Please state for the Company and all of its subsidiaries:

- i. Total gross assets in the USA \$ _____
- ii. Total gross turnover derived from business operations in the USA \$ _____
- iii. Total employees located in the USA _____

5.5 Does the Company or any of its subsidiaries have any USA securities listings? Yes No

If **Yes** please provide full details.

5.6 Does the Company or any of its subsidiaries have any American Depository Receipts (ADR's) on issue?

Yes No

If "Yes" please provide the following details.

- i. What was the commencement date of the ADR programme? _____
- ii. What is the level of the ADR programme (I,II,III or s144) _____
- iii. How many ADR's are currently on issue? _____
- iv. What size is the ADR programme in terms of current market Capitalisation? _____
- v. What is the ratio of ADR's to ordinary shares? _____
- vi. Please list the 3 largest holders of ADR's and their respective shareholdings _____

Name	Percentage (%)

5.7 Does the Company have any other USA securities on issue including any debt instruments?

Yes No

If "Yes" please provide full details including the nature of those securities and the number, in dollar terms, on issue:

Section 6: **Your Claims History**

Please note that Questions in this section relate to all parties seeking cover under this insurance policy and enquiries should be made of all those parties prior to answering these questions.

- | | | | |
|-----|---|-----|----|
| 6.1 | Has there ever been, is there now pending, any claim against any directors or officers in their capacity as a director or officer of the company or its subsidiaries? | Yes | No |
| 6.2 | Is the company, its subsidiaries, or its directors and officers aware of any facts which might give rise to a claim being made against any director or officer in their capacity as a director or officer of the company or its subsidiaries? | Yes | No |
| 6.3 | Have any of the principals, partners, directors, officers or employees of the company or its subsidiaries ever been the subject of any disciplinary proceedings? | Yes | No |

If the answer to any of the questions in Section 6 is **"Yes"** please provide further details of the matter including the claimant, current status, amounts paid and insurer reserve amounts.

Section 7: **Your Insurance History**

7.1 Do you hold Directors & Officers Insurance for the Company? Yes No

If the answer is **"Yes"** please advise:

Name of Insurer: _____

Policy Period: _____ Policy Limit: _____ Excess: _____

7.2 Has the Company ever had any special terms or conditions imposed on any Directors & Officers Liability policy held by the Company? Yes No

7.3 Has the Company or any of its directors and officers ever had any entitlement to indemnity under any insurance policy denied, or otherwise affected due to non-disclosure, misrepresentation, or breach of a policy provision? Yes No

If the answer to questions 7.2 or 7.3 is **"Yes"** please provide full details.

7.4 Directors & Officers policies provide cover for claims or inquiries for Insured persons who, at the request of the Company, act as directors or officers of an outside entity. Do you have any such appointments? Yes No

If the answer is "Yes" please complete the Outside Directorships Addendum at the end of this proposal form.

Section 8: Your Cover Application

8.1 Limit of Liability sought:

i. \$ _____ ii. \$ _____ iii. \$ _____

8.2 Preferred deductible:

i. \$ _____ ii. \$ _____ iii. \$ _____

Optional Extensions (If Available)

8.3 Employment Practices Liability

If available, would you like the policy to be extended to provide cover for claims made against the company for employment related claims? Yes No

If the answer to question 8.3 is "Yes", please answer the following questions:

i. Does the Company have formal written employment procedures (eg: HR manual which addresses discriminatory sexual harassment or terminations) which is used by all employees? Yes No

ii. Has the Company had retrenchments over the past 12 months? Yes No

iii. Does the Company anticipate any retrenchments in the next 12 months? Yes No

If the answer to questions 8.3 ii or iii is "Yes" please provide full details.

8.4 Company Securities Liability

Would you like the policy to be extended to provide cover for the Company for its own liability as a result of claims made against it by holders of the Company's securities? Yes No

If the answer to question 8.4 is "Yes" please answer the following questions:

i. Is the Company aware of any facts which might give rise to a securities Claim being made against the Company? Yes No

ii. Has there ever been, or is there now pending, any securities claim against the Company? Yes No

If the answer to questions 8.4 i or ii is "Yes" please provide full details.

Section 9: Stamp Duty & Additional Information

9.1 Please provide the approximate percentage split of your employees applicable to each State or Territory for stamp duty calculations.

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	O/s	Total
%	%	%	%	%	%	%	%	%	%

9.2 Please provide a copy of the Company's latest audited financials or annual report.

Section 10: Your Declaration

I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgement and the acceptance of this Proposal. Should the above particulars alter in any way, I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.

Name of Proposer: _____

Signed by / on behalf of all Partners / Directors / Principals

Name: _____ Signature: _____

Name: _____ Signature: _____

Dated: _____

P.I. Direct Insurance Brokers Pty Ltd. (AFS Licence No. 229462)

Level 2 3350 Pacific Highway Springwood Qld 4127 - Postal Address: Po Box 976 Springwood Qld 4127

Phone: (07) 3387 2800 Email: pidirect@pidirect.com.au Website: www.pidirect.com.au

Outside Directorships Addendum

Name of Outside Entity	Does the Outside Entity provide an indemnity for the outside Director(s)?	Does the Outside Entity have current D&O Insurance?	If Yes, who is the D&O Insurer?	What is the D&O Policy Limit?	What is the D&O Policy Number & Period of Insurance	Is the Outside Entity listed on any Stock exchange?	Is the Outside Entity incorporated in the United States of America, Canada or any of their territories or protectorates?