



DIRECTORS' AND OFFICERS' LIABILITY INSURANCE PROPOSAL FORM B

Level 1, 2 Wellington Parade, East Melbourne. 3002.
ph: 03 9235 5255 fax: 1800 633 073
email: enquiries@prorisk.com.au
web: www.prorisk.com.au



IMPORTANT INFORMATION

GUIDANCE NOTES

1. This Proposal Form must be typed or completed in ink and signed and dated by the Proposer. Please answer every question in full and sign and date the Declaration.
2. Should there be any material change in the answers given to the questions contained in this Proposal Form prior to the inception of the Policy, the Proposer must notify ProRisk and, at the sole discretion of ProRisk and Underwriters, any outstanding quotations may be modified or withdrawn.
3. Upon acceptance of ProRisk and Underwriters' terms and conditions and payment of the premium, all information provided by the Proposer, including this Proposal Form, addenda (if applicable) and the Important Information will be deemed to be incorporated in the contract between Underwriters and the Insured and shall be deemed the basis of the contract of insurance.
4. Signing of this Proposal Form does not bind the Proposer or Underwriters to complete a contract of insurance.
5. Copies of the completed Proposal Form should be retained for your own records.

CLAIMS MADE POLICY

This Proposal Form is for a policy issued by ProRisk on a claims made and notified basis. This means that the policy only covers claims first made against you during the period of insurance and notified to ProRisk in writing during the period of insurance. The policy does not provide cover for any claims made against you during the period of insurance if at any time prior to the commencement of the period of insurance you were aware of facts which might give rise to those claims being made against you.

Section 40(3) of the *Insurance Contracts Act 1984* provides that where the insured gives notice in writing to the insurer during the period of insurance of facts that might give rise to a claim against the insured, the insurer cannot refuse to pay a claim which arises out of those facts, by reason only that the claim is made after the period of insurance has expired.

YOUR DUTY OF DISCLOSURE

Section 21 of the *Insurance Contracts Act 1984* provides that before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of matter:

- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That your insurer knows, or in the ordinary course of its business, ought to know;
- As to which compliance with your duty of disclosure is waived by the insurer.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its 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 its beginning.

POLICY CANCELLATION

In the event of policy cancellation by the insured, ProRisk's cancellation rates will apply.

PRIVACY STATEMENT

ProRisk is bound by the obligations of the *Privacy Act 1988* (as amended) regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We collect personal information about you to enable us to provide you with relevant products and services, to assess your application for insurance and, if a contract is entered, to enable us to provide, administer, and manage your policy, and to investigate and handle any claims under your policy. We may disclose your information to third parties (who may be located overseas), such as certain Underwriters at Lloyd's, lawyers, claims adjusters, and others appointed by ProRisk or by certain Underwriters at Lloyd's to assist us and them in providing relevant products and services. We may also disclose your information to people listed as co-insured on your policy and to your agents. By providing your personal information to us, you consent to us making these disclosures.

If you do not provide all or part of the information required, we may not be able to provide you with our products and services, consider your application for insurance, administer your policy, assess or handle claims under your policy, or you may breach your Duty of Disclosure.

When you provide us with personal information about other individuals, we rely upon you to have made them aware of that disclosure, and of the terms of the ProRisk Privacy Statement, and to obtain their consent.

For a copy of the ProRisk Privacy Statement or to request access to the personal information, contact the Privacy Officer at ProRisk by email: enquiries@prorisk.com.au or by mail at the address shown on this Proposal.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE
PROPOSAL FORM B**

1. Full Name of the Company:

2. Address of the Registered Office of the Company:

3. Company ABN: _____

4. Can the Proposer confirm that:

(a) the Company cannot be described as, nor is it involved in, any of the following activities:
Mining, information technology, broadcasting, publishing, media, advertising, tobacco, healthcare, pharmaceuticals, aviation, bank, merchant bank, mortgage company, mortgage lender, stockbroker, venture capitalist, fund manager, investment company, investment trust, hedge fund, hedge fund manager, building society, friendly society, savings, loans, investment management, insurance or reinsurance, recruitment or contract management services.

Yes No

(b) the Company was incorporated more than 24 months ago

Yes No

(c) the Company is a private company incorporated in Australia

Yes No

(d) the Company is not listed on any stock exchange or other securities market

Yes No

(e) for the latest fully-completed financial year, the Company has a Gross Turnover of no more than AUD \$20million and Gross Total Assets of no more than AUD \$10million.

(Please state the actual figures here)

Gross Turnover AUD \$ _____ Gross Total Assets AUD \$ _____

(f) for the last two consecutive years, the Company has reports and accounts prepared by independent auditors or accountants showing net profit (i.e. after tax, interest, etc), positive net worth (i.e. both balance sheets show that assets exceed liabilities), no litigation, no disputes, no contingent or extraordinary liabilities, and that the Company can pay its debts as and when they fall due

Yes No

(g) insurance is not sought in respect of claims:

- made within the legal jurisdiction of the United States of America or Canada,
- arising from legal liabilities faced by the Company (as opposed to the Directors and Officers) in respect of shares or other securities;
- made by or on behalf of any person or entity holding (beneficially or otherwise) more than 25% of the issued share capital of the Company

Yes No

- (h) he/she is not aware of any intention for the Company to be acquired by, or merged with, any other entity, or for there to be any other material change in the ownership of the Company (including, but not limited to, a management buy-out or an offering of its share or stock capital) and that no such event took place during the past 24 months
 Yes No
- (i) he/she has no knowledge of any claims or circumstances which may give rise to a claim under the policy, nor of any disciplinary proceedings or any complaints having been threatened, intimated or made (successfully or otherwise) against the Directors or Officers or the Company or the employees or the Proposer in respect of the legal liabilities or loss to which this Proposal Form relates
 Yes No
- (j) at no time in the past has there been a refusal or voidance or cancellation of any insurance similar to that to which the Proposal Form relates
 Yes No
- (k) at the date of the Declaration, Syndicate 2468 at Lloyd's does not provide the Company with any class of insurance, other than insurance cover provided by ProRisk (if any)
 Yes No
- (l) insurance quotations are sought for one of the following Limits of Indemnity:
(Please indicate the Limit sought)
 AUD \$500,000 AUD \$1,000,000 AUD \$2,000,000 AUD \$5,000,000

PLEASE NOTE:

If the Proposer's response is 'Yes' to all of Questions 4(a) to (k):

1. If a quotation for Employment Practices Liability Entity cover is required, please complete Question 10.
2. Please complete the Declaration.

If the Proposer's response is 'No' to any part or all of Questions 4(a) to (k), please complete the remainder of the Proposal Form Questions 5 to 17 and the Declaration and attach supporting Documentation.

5. (a) Country of incorporation of the Company: _____
 (b) Date of original incorporation of the Company: _____
6. Full description of business activities of the Company:

7. Is the company or any of its subsidiary companies listed on a Stock Exchange or any other securities market?

Yes No

(a) If 'NO,' please state what type of entity the Company is _____

(b) If 'YES,' please state:

(i) on which exchange or market, and on what date, the listing was first obtained:

(ii) the number of issued shares: _____

(iii) the number of shares held (beneficially or otherwise) by Directors and Officers:

(iv) if any person or entity holds (beneficially or otherwise) 10% or more of any class of the issued shares, and if so, please state, their name and the percentage thereof:

(v) on what date, and where, was the last issuance or offering or listing made:

(c) Does the Company or any of its subsidiaries have its stock, shares, debentures, bonds, commercial paper or other debt or equity instruments in North America?

Yes No

If the answer to Question 7(c) is 'YES,' please state:

(i) if the Company or any of its subsidiaries have any stock or shares traded in the form of ADRs?

Yes No

If the answer to Question 7 (c)(i) is 'YES':

(ii) are the ADRs 'sponsored'?

Yes No

(iii) what level of ADR are they?

(iv) what is the approximate number of ADR holders?

(v) what is the approximate percentage of ADRs traded relative to the total issued share capital?

_____ %

If the answer to Question 7(c)(i) is 'NO', or if there is stock, shares, debentures, bonds, commercial paper or other debt or equity instruments which are not in the form of ADRs, please provide details:

(d) Does the Company have an internal audit Committee pursuant to all statutes, rules or regulations to which it is subject?

Yes No

(e) Are any of the listings, holdings, stock, equity or debt referred to in Question 7. a) to c) inclusive subject to the United States Securities Act of 1933 and/or the Securities Exchange Act of 1934 or any revisions or amendments thereto?

Yes No

8. (a) During the next 24 months are there any plans or intentions for the Company or any of its subsidiaries to:

- (i) file or register, or to make a listing, offering or issuance of stock, shares, debentures, bonds, commercial paper or other debt or equity instruments or any other securities?; or
- (ii) merge with, or be taken over by, any other entity, or make any acquisitions or disposals, or to terminate or wind-up or re-organise, or for there to be any other material change in the ownership of the Company (including, but not limited to, a management buy-out)?

If YES, please provide details Yes No

(b) During the last 24 months did the Company or any of its subsidiaries:

- (i) merge with, or be taken over by, any other entity, or make any acquisitions or disposals or was subject to any other material change in ownership (including, but not limited to, a management buy-out or an offering of its capital)? or
- (ii) change its independent auditors or legal counsel?
- (iii) publish reports and accounts or interim statements or filings or registration documents containing an auditors report which was qualified in any way?

If YES, please provide details Yes No

COMPLETE QUESTION 9 IF COVER IS SOUGHT FOR 'WORLDWIDE JURISDICTION'

COMPLETE QUESTION 10. IF COVER IS SOUGHT FOR 'EMPLOYMENT PRACTICES LIABILITY ENTITY' * COVER

COMPLETE QUESTION 11. IF COVER IS SOUGHT FOR 'SECURITIES ENTITY' * COVER

*PLEASE NOTE THAT IF ANY OF QUESTIONS 9. TO 11. INCLUSIVE ARE LEFT BLANK, IT SHALL MEAN THAT THE PROPOSER DOES NOT REQUIRE A QUOTATION FOR SUCH COVER, BUT, IF COMPLETED, THE UNDERWRITERS SHALL BE UNDER NO OBLIGATION TO PROVIDE A QUOTATION FOR SUCH COVER.

NORTH AMERICA

9. What is the:

- (i) Total Gross Turnover (as a percentage of the whole) within
 - (a) Canada? _____ %
 - (b) The USA? _____ %
- (ii) Total Gross Consolidated Assets in
 - (a) Canada? _____ %
 - (b) The USA? _____ %
- (iii) Total of employees within
 - (a) Canada? _____ %
 - (b) The USA? _____ %

- (iv) Total of non-wholly-owned Subsidiaries in
- (a) Canada? _____ % (b) The USA? _____ %
- (c) (in respect of 9 (iv)a) identity(ies), state the respective percentage holding(s) of the minority holders:
-
- (d) (in respect of 9(iv)b) identity(ies), state the respective percentage holding(s) of the minority holders:
-

EMPLOYMENT PRACTICES LIABILITY ENTITY COVER

- 10 (a) Can the Company confirm that:
- (i) it has written employment practices procedures, contracts of employment, personnel files, and an employee handbook? Yes No
- (ii) it minutes all grievance and disciplinary hearings? Yes No
- (iii) it does not expect there to be any redundancies or other reductions amongst its employees in the next 24 months? Yes No
- (iv) no more than 5% of its employees have resigned, been made redundant or been dismissed during the last 24 months? Yes No
- (v) it does not plan to make any amendments to the employee benefits package in the next 24 months nor has done so during the last 24 months? Yes No
- (vi) it does not have more than 75 employees Yes No
- (vii) it does not pay a total remuneration package to any full-time employee in excess of AUD \$200,000 per annum Yes No

(b) If the answer to any part or all of Question 10. (a) is 'NO', please provide details:

SECURITIES ENTITY

(Please submit copies of all of the prospectuses, filings, registration documents and Offer Documents for which cover is sought, and list in answer to Question 11. c) the dates of same)

11. (a) Can the Company confirm that it engages the services of experienced external legal counsel to advise it and the Directors and Officers on securities matters?

Yes No

(b) If the answer to Question 11 (a) is 'NO', please provide details:

(c) Dates:

PLEASE COMPLETE THE REMAINDER OF THIS PROPOSAL FORM

12. Has any claim been made, or is any claim now pending, against any Director or Officer or the Company or the Proposer which, if insurance had been in force similar to that now proposed would have fallen within the scope of such insurance?

If YES, please provide details

Yes No

13. Is any Director or Officer or the Company or the Proposer aware, after enquiry, of any circumstance, act, incident or information which might give rise to a claim such as would fall within the scope of the proposed insurance?

If YES, please provide details

Yes No

14. Has any insurance similar to that now proposed been declined, cancelled or had renewal refused?

If YES, please provide details

Yes No

15. Provide details of any current or previous Directors' and Officers' Liability Insurance and/or of any other current insurance provided by Syndicate 2468 at Lloyd's, other than insurance cover currently provided by ProRisk (if any):

Name of Insurer: _____

Inception Date: _____

Limit of Indemnity: _____

Expiry Date: _____

16. Please advise the Limit of Indemnity required: _____

17. (a) Does the Company have an interest in any Special Purpose Vehicle or Partnership, or does it have an involvement in any Off-Balance Sheet items?

Yes No

(b) If the answer to Question 17.a) is 'YES', please provide details

Stamp Duty:

Please state the total number of employees located in the following states and overseas:

VIC	NSW	ACT	QLD	TAS
SA	NT	WA	Overseas	Total

DECLARATION

The Proposer declares and warrants that after full and reasonable enquiry and to the best of his/her knowledge and belief all statements and particulars contained in this Proposal Form and (if applicable) addenda hereto are true and that no information whatsoever has been withheld which might increase the risk of the Underwriters or influence the acceptance of this Proposal Form and that should the above particulars alter in any way confirms that he/she will advise the Underwriters as soon as is practicable. The Proposer further declares and warrants that he/she has been duly authorised by the Directors and Officers and the Company to act as their agent in respect of all matters of any nature or kind relating to or affecting this Proposal Form and the Policy. The Proposer understands that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal Form may result in the Underwriters refusing to provide indemnity or voiding the Policy in every respect. The Proposer hereby agrees and accepts that this Proposal Form and (if applicable) addenda hereto shall be the basis of the contract of insurance if entered into.

The Underwriters are hereby authorised, at their absolute discretion, to make any investigation and enquiry in connection with regard to this Proposal as they deem necessary.

FOR AND ON BEHALF OF (Name of Company)

SIGNATURE

Dated

NAME OF SIGNATORY

Position *

* Should be the Chairman or Managing Director or Chief Executive of the Company

DOCUMENTATION

(Please ignore if all of Question 4. has been answered 'YES')

Please provide copies of the following:

- a) The Annual Reports & Accounts of the Company for the last two years,
- b) The latest Interim Statements of the Company,
- c) All reports and registration statements filed with the Securities and Exchange Commission within the last 12 months,
- d) All prospectuses, filings, registration documents and Offer Documents which have been filed, published or issued within the last 12 months.