

DIRECTORS and OFFICERS LIABILITY INSURANCE PROPOSAL

Nova Underwriting Pty Ltd

ABN 42 127 786 823 / AFSL 324767

NOTICE TO THE PROPOSED INSURED

(Including notices under the Insurance Contracts Act)

IMPORTANT – PLEASE READ THE FOLLOWING ADVICE BEFORE COMPLETING THIS PROPOSAL.

1. 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 (ICA), to disclose to the insurer every matter which 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, on what terms.

You have the same duty to disclose those 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 know which compliance with your 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 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.

COMMENT

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer’s consideration of your proposal.

2. CLAIMS MADE POLICY

This proposal is for a “claims made and notified” policy of insurance. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover. This policy does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified).
- claims made after the expiry of the period of cover even though the act, error or omission giving rise to the claim may have been committed during the period of cover.
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy.
- claims made, threatened or intimated against you prior to the commencement of the period of cover.
- facts or circumstances of which you first became aware prior to the period of cover, and which you knew or ought reasonably to have known, had the potential to give rise to a claim under this policy.
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

Where you give notice in writing to the insurer of any facts that might give rise to a claim made against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, you may have rights under Section 40(3) of the ICA to be covered for claims arising from those facts, even though the claim is made

against you after the period of cover has expired. Any such rights arise under the ICA only, and not by medium of the policy.

3. AVERAGE PROVISION

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

5. SUBROGATION WAIVER

Our policy contains a provision that has the effect of excluding or limiting cover for a liability incurred as a result of you entering an agreement that impairs your legal rights against another party.

6. PRIVACY

We comply with the Privacy Act when dealing with you personal information. We need to collect personal information to deliver our services and products, and we may also need to pass that information to third parties such as our security, their reinsurers, agents, lawyers and other service providers.

You can have access to, and if necessary, correct your personal information, by contacting our privacy officer.

When you give us personal or sensitive information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us, the purposes we use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

7. NOT A RENEWABLE POLICY

Any policy issued by us will terminate at a time and date specified in the policy. There is no right to automatic extension or renewal of the policy. If you wish to effect similar insurance for a subsequent period, it's necessary to complete a new proposal prior to the termination of the expiring policy so that we may consider whether or not to offer a replacement policy, and if so, on what terms.

8. GENERAL INSURANCE CODE OF PRACTICE

We have adopted the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry, including the manner in which complaints must be handled. For further information about the Code, visit our website www.novaunderwriting.com.au or visit the Code website www.codeofpractice.com.au or contact our Compliance Manager. As part of our Code compliance obligations, we advise that the key factors affecting premiums are the nature and size of the risk, and the claims experience.

IMPORTANT

- Please answer ALL questions fully. If there is insufficient space, please provide details on your own letterhead, and attach to this form.
- Where provided, tick the appropriate box to indicate your answer.

APPLICANT'S DETAILS

1. Name of organisation:

2. Principal activities:

3. Postal address:
Website address:

4. Location:

5. Year established:

6. Facsimile number:

7. Telephone number:

8. Indicate type of organisation:

Public Mutual Private Non Profit
Charitable Statutory Corporation Co-operative Other

9. How long has the organisation continuously carried on its activities?

10. During the past 5 years, has the name of the organisation been changed? Yes No

If "Yes", please provide details:

11. Has the organisation acquired or created any subsidiary entity in the past 5 years?

Yes No

If "Yes", please complete the following table:

NAME OF ENTITY	PRINCIPAL ACTIVITIES	% OWNED	DATE ACQUIRED/CREATED

12. Does the organisation have either currently or in the next 12 months, any plans to acquire or merge with another organisation?

Yes No

If "Yes", please attach details.

13. Is the organisation aware of any proposal relating to its acquisition by, or merger with, any other organisation?

Yes No

If "Yes", please attach details.

14. How many shareholders does the organisation have?

15. Does any shareholder own or control more than 15% of the equity of the organisation?

Yes No

If "Yes", please write the names of the shareholders and their shareholdings here:

16. Is the organisation listed on a recognised Stock Exchange?

Yes No

17. Are the organisation's shares traded on any other market?

Yes No

If "Yes", to either question 16 or 17, please attach details.

PROSPECTUSES

18. Has the organisation issued a prospectus in the past 3 years?

Yes No

If "Yes", please attach a copy of any such prospectus.

19. Has there been any complaints made or concerns raised regarding

the information contained in any such prospectus? Yes No

If "Yes", please attach details.

20. Have the forecasts of earning and dividends in those prospectuses been achieved? Yes No

If "No", please attach details.

21. Does the organisation plan to issue a prospectus in the next 12 months? Yes No

If "Yes", please attach a copy of the prospectus (or provide details of plans to issue a prospectus).

OUTSIDE DIRECTORSHIP

22. Does any director or officer of the organisation hold directorships in any other entity (other than a non profit entity) at the request of the organisation? Yes No

If "Yes", and cover is sought for such positions, complete the following table:

DIRECTOR/OFFICER'S NAME	NAME OF ENTITY	% OWNED	REASON FOR DIRECTORSHIP

USA and/or CANADA

23. Does the organisation conduct business or raise funds in the USA or Canada (including their territories or protectorates)? Yes No

If "Yes", please provide the following information:

Number of employees based in USA and/or Canada:

Total assets held in USA and/or Canada \$

Total revenue generated from USA and/or Canada \$

Are shares of the organisation traded on any Stock Exchange in the USA and/or Canada? Yes No

If "Yes", please attach details.

Does the organisation have any American Depository Receipts traded in the USA?

Yes No

If "Yes", please attach details.

COMPOSITION OF THE BOARD

24. Is there a majority of non executive directors? Yes No
25. Does an audit committee report to the board? Yes No
26. Is the chairperson also the managing director? Yes No
27. Has the composition of the board changed since last balance date? Yes No

If "Yes", please attach details.

CURRENT FINANCIAL POSITION

28. Is the organisation trading profitably? Yes No
29. Is the organisation solvent and able to meet its debts as And when they fall due? Yes No
30. Are there any matters not disclosed in your latest annual report that could affect the ability of the organisation to continue to trade as a going concern? Yes No
31. Has there been any change in the financial position or capital structure for the organisation since last balance date which materially affects the financial position of the organisation? Yes No
32. Has any event occurred, or any trend become evident, since last balance date, that materially affects the financial position or future viability of the organisation? Yes No
33. Are group tax payments in arrears? Yes No

If you have answered "Yes" to questions 30-33, or "No" to questions 28 or 29, please attach details.

CLAIMS DETAILS

34. Has the organisation ever been the subject of any investigation or inquiry by or on behalf of any regulatory or investigatory body? Yes No
35. Has there ever been any prosecution or litigation or other proceeding against the organisation? Yes No

36. Is any director, officer, or employee of the organisation aware of any circumstances which could result in a claim or action against them? Yes No
37. Have there ever been any claims made or action taken against any director, officer or employee of the organisation? Yes No

If you have answered "Yes", to any of the above questions, please provide details.

NOTE: THE PROPOSED INSURANCE WILL NOT COVER CLAIMS OR ACTIONS ARISING OUT OF ANY MATTER OR CIRCUMSTANCES REFERRED TO IN THE ABOVE QUESTIONS, REGARDLESS OF WHETHER SUCH MATTERS OR CIRCUMSTANCES WERE DISCLOSED OR NOT.

INSURANCE REQUIREMENTS AND HISTORY

38. Does the organisation currently have D&O insurance? Yes No

If "Yes", please provide the following details:

Name of Insurer:

Expiry Date:

Sum Insured: \$

Excess: \$

39. Has any director, officer or employee of the organisation, ever been refused D&O insurance, or had similar insurance cancelled, or had renewal declined, or had special terms imposed? Yes No

If "Yes", please attach details.

40. Sum Insured required? \$

41. Excess requested? \$

42. The following extensions (**subject to the terms of the extension and the policy**) are automatically included **unless advised otherwise**:

- Estates, Spouses and Legal Representatives
- Outside Directorships
- Subsidiaries
- Preservation of Indemnity
- Inquiries

- Pollution
- Extended Reporting Period
- Civil Penalties
- Advancement of Defence Costs
- Occupational Health and Safety
- Severability and Non-Imputation
- Run off for Retired Directors

43. Do you require the following Optional Extension?:

- One Automatic Reinstatement Yes No

ADDITIONAL INFORMATION

Please attach to this application:

- the annual reports of the organisation for the last two financial periods.
- the last two annual reports of any organisation named in response to question 22.
- details as follows of any D&O insurance held in relation to any entity named in response to question 22:

Name of Entity:

Insurer:

Sum Insured:

Excess:

Expiry Date:

- copies of covenants limiting the organisation’s borrowings.
- the last Interim Statement (if applicable) for the organisation.

DECLARATION

The signatory declares:

- that the signatory is authorised to make this proposal on behalf of all persons and entities seeking insurance.
- that the signatory has read and understood the “Notice to the Proposed Insured” at the front of this proposal.
- that the information supplied in this proposal [and any attachments relating to it] is true and correct.
- that the signatory understands and acknowledges that Nova Underwriting Pty Ltd relies on the information contained in the proposal [and any attachments relating to it].
- the signatory understands and acknowledges that the proposal [and any attachments to it] and any other information supplied to Nova Underwriting Pty Ltd in support of this application for insurance shall form the basis of any contract of insurance subsequently effected.

Name of Signatory: _____

Position: _____

Signature: _____ **Date:** ____ / ____ / ____