



ASR Underwriting Agencies

Proposal Form

MANAGEMENT LIABILITY

Arranged through ASR Underwriting Agencies Pty Ltd Underwritten by Certain Underwriters at Lloyd's

IMPORTANT NOTES

PLEASE READ THESE GUIDANCE NOTES BEFORE COMPLETING THE PROPOSAL FORM. WHERE FURTHER INFORMATION IS REQUIRED PLEASE ATTACH IT TO THIS PROPOSAL FORM. This proposal must be typed, or completed in ink and signed and dated by such person (Proposer/You/Your) who must be of legal capacity and authorised by the Proposer to seek a quotation for Liability Insurance and any additional coverage that may be provided by the Insurer. Please answer every question fully, and state "NIL" or "NONE" as applicable. Incomplete answers may not be accepted and can delay quotation.

Should there be insufficient room in the Proposal Form for full details, please attach further information on signed and dated sheets, wherever possible following the same format and paragraph number. It is the duty of the Proposer to disclose all material facts to Insurers. Where this is omitted, the Insurers may avoid their obligation under the Policy.

For the purpose of the Proposal and for all purposes relating to any policy issued pursuant to this Proposal, a 'material fact' shall be deemed to be one that would be likely to influence an Insurer's judgement and acceptance of Your Proposal. Upon acceptance of the Insurers' terms and conditions and payment of the premium, all information provided by the Proposer together with the guidance notes will be deemed to be incorporated in the contract between Insurers and the Proposer.

CLAIMS MADE POLICY

This Proposal Form is for a policy issued by ASR Underwriting Agencies Pty Ltd 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 ASR Underwriting Agencies Pty Ltd 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

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms. You have this duty until we agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or

- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something: If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

PRIVACY

We are committed to protecting your privacy. We use the information you provide to us to assist with your insurance needs. We provide your information to insurance underwriters, brokers and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to certain Underwriters at Lloyd's when we are seeking insurance terms from them, or to reinsurers who are located overseas. We also supply your information to the providers of our policy administration and underwriting systems that help us to maintain our products and services. You will be advised where those companies are located at the time any advice is given to you. We do not trade, rent or sell your information. If you do not provide us with full information, we cannot properly seek insurance terms for you, or assist with claims and you could breach your duty of disclosure. For more information about how to access the personal information we hold about you and 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 by telephone to our Privacy Officer on 07 3442 3301 or visit our website www.asruw.com.au

EXCESS

The policy provides that You will be required to bear a specified amount of all claims and this is for each and every claim made against You including defence costs. We will let You know when the excess is payable.

YOUR LEGAL LIABILITY

If you take out a Liability cover section, the financial risk of court awards through litigation is ever increasing and we recommend that You select a Limit of Liability that takes into account the future cost of claims including legal fees and costs of defence. Even higher limits are available than your current limit if required. Defence costs are included within the limit of liability, when you take out a Liability cover section.

WAIVER OF RIGHTS

If You have entered into an agreement with another party, which prevents your Insurer from taking recovery action for compensation from that party it may affect Your rights to cover under this Policy. Should You now be a party to such an agreement or be requested to enter such an agreement in the future, please advise your Broker in writing so we may notify the Insurer.

BROKER DETAILS

| | | | |
|---------------|--|--------------|--|
| Broker Name | | Contact Name | |
| Phone Number | | Fax Number | |
| Email Address | | | |

COMPANY INFORMATION

| | | | | | | | | | | | | | |
|--|-------------------------|---|---|-----|---|--------------------------|---|--------------------|---|------------------------------|----------|-----------------------------|--|
| 1. Full name of the company | | | | | | | | | | | | | |
| 2. Address of the registered office of the company | | | | | | | | State | | | Postcode | | |
| | | | | | | | | | | | | | |
| 3. Company website address | | | | | | | | | | | | | |
| 4. (a) Was the company incorporated in Australia with limited liability, more than 24 months ago? | | | | | | | | | | <input type="checkbox"/> Yes | | <input type="checkbox"/> No | |
| 4. (b) Is the company (please tick one option) | | <input type="checkbox"/> (i) Private | | | | | | | | | | | |
| | | <input type="checkbox"/> (ii) Not for profit association or registered charity | | | | | | | | | | | |
| | | <input type="checkbox"/> (iii) Publicly listed on any stock exchange or securities market | | | | | | | | | | | |
| | | <input type="checkbox"/> (iv) A strata company | | | | | | | | | | | |
| | | <input type="checkbox"/> (v) A limited liability partnership (LLP) | | | | | | | | | | | |
| | | <input type="checkbox"/> (vi) Other (give details) | | | | | | | | | | | |
| 4. (c) Can the company be described as, or is involved in, any of the following activities: | | | | | | | | | | <input type="checkbox"/> Yes | | <input type="checkbox"/> No | |
| Aviation | Broadcasting | Utility (electricity, gas, water) | | | | Insurance or reinsurance | | | | | | | |
| Contact management services | Media | Bank | | | | Investment company | | | | | | | |
| Information technology | Publishing | Credit union | | | | Investment management | | | | | | | |
| Oil, gas, mining, mineral extraction | Healthcare | Financial institution | | | | Investment trust | | | | | | | |
| Forestry | Nursing homes/hospitals | Fund manager | | | | Merchant bank | | | | | | | |
| Recruitment | Pharmaceuticals | Hedge fund | | | | Mortgage company | | | | | | | |
| Advertising | Tobacco | Hedge fund manager | | | | Mortgage lender | | | | | | | |
| Saving, loans | Stockbroker | Venture capitalist | | | | | | | | | | | |
| If none of the above, describe the nature of the company's operation &/or industry involved in: | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 4. (d) Does the company have any employees or locations or assets or shares or funds or subsidiary companies domiciled or incorporated in the United States and/or earn gross receipts in the United States of America in excess of 30% of total gross receipts? | | | | | | | | | | <input type="checkbox"/> Yes | | <input type="checkbox"/> No | |
| 4. (e) In the last two consecutive years, has the Company published reports and accounts in the two latest consecutive financial years, which show: | | | | | | | | | | <input type="checkbox"/> Yes | | <input type="checkbox"/> No | |
| (i) unqualified reports by independent auditors or accountants | | | | | | | | | | | | | |
| (ii) net profit (i.e. after tax, interest, etc) | | | | | | | | | | | | | |
| (iii) any and all of its debts can be paid as they fall due | | | | | | | | | | | | | |
| (iv) no litigation or disputes or contingent or extraordinary liabilities | | | | | | | | | | | | | |
| (v) positive net worth (i.e. both balance sheets show that assets exceed liabilities) | | | | | | | | | | | | | |
| If no to any of 4.(e) i-v above, please provide further details: | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 4. (f) Please state: | | Gross total revenue | | AUD | | | | Gross total assets | | AUD | | | |
| | | Total employees (excluding volunteers) | | | | | | | | | | | |
| 4. (g) Show percentage of work performed in each state: | | NSW | % | ACT | % | QLD | % | WA | % | | | | |
| | | VIC | % | TAS | % | SA | % | NT | % | | | | |

COMPANY INFORMATION

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|--|--|--|---|--------------------------------|
| <p>5. After full and reasonable investigation, does the proposer and directors and officers and the company and the employees and the trustees and the committee members have any knowledge of the following:</p> <p>(a) 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 capital or securities)?</p> <p>(b) any event of the sort referred to in question 5a) having taken place in the last 24 months?</p> <p>(c) any claims, or circumstances which may give rise to a claim, or any disciplinary proceedings or any complaints having been threatened or intimated or made (successfully or otherwise) against the directors or officers or the company or the employees or the trustees or committee members or the proposer in respect of the legal liabilities or loss to which this proposal form relates?</p> <p>If yes, please provide details:</p> | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| <p>6. Is insurance sought for claims in respect of:</p> | | | | |
| | (a) Legal liabilities which fall within the legal jurisdiction of the United States of America? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (b) Employee benefit and pension plans? (If yes, then answer question 7) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (c) Employment practices liability entity cover? (If yes, then answer question 8) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| <p>7. Only answer if the answer to 6(b) is yes:</p> <p>Can the Proposer confirm that all employee benefit and pension plans have no more than 5% of their investments in the shares or other securities of the Company and that these plans are adequately funded and are neither in deficit or 'run-off' and are approved without qualification by an appropriate independent third party?</p> | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| <p>8. Only answer if the answer to 6(c) is yes:</p> | (a) Does the company have written procedures, contracts of employment, personnel files, and employee handbook? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (b) Does the company minute all grievance and disciplinary hearings? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (c) Does the company expect there to be any redundancies or other reductions amongst its employees in the next 24 months? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (d) Has there been more than 10% of the employees of the company resign, or made redundant, or dismissed during the last 24 months? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (e) Does the company plan to make any amendments to the employee benefits package in the next 24 months nor has done so during the last 24 months? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | (f) Does the company pay an average annual gross salary of more than AUD500,000 to any full-time employee? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| <p>9. Does any person or entity hold (beneficially or otherwise) more than twenty five percent (25%) of the issued share capital of the company? If yes, please provide details of the shareholder(s) and percent shares owned:</p> | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| <p>10. Please select which of the following limits of indemnity are sought for quotation:</p> | | | | |
| <input type="checkbox"/> AU\$1,000,000 | <input type="checkbox"/> AU\$2,000,000 | <input type="checkbox"/> AU\$5,000,000 | <input type="checkbox"/> AU\$10,000,000 | <input type="checkbox"/> Other |

DECLARATION – your duty of disclosure

The proposer declares and warrants that after full and reasonable enquiry and investigation and to the best of his/her knowledge and belief all statements and particulars contained in this proposal form and (if applicable) any 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 authorized 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 authorized, at their absolute discretion, to make any investigation and enquiry in connection with regard to this proposal form as they deem necessary.

| | | | |
|---|--|------------|-----|
| For and on behalf of (name of company) | | | |
| Authorised signatory | | Dated | / / |
| Name of signatory | | Position * | |

**Should be the chairman, managing director or chief executive of the company*

CANCELLATION CHARGES

If we are requested to cancel the policy, we will charge the following short period rate premiums. We will hold you and or your insurance intermediary liable to pay these amounts

| | | |
|-------------------------------|---------------------------|--|
| Within 1 month of inception: | 25% of the quoted premium | Thereafter at terms to be agreed with underwriters |
| Within 2 months of inception: | 20% of the quoted premium | |
| Within 3 months of inception: | 15% of the quoted premium | |