

Palladium Management Liability Proposal Form

For the purpose of answering the below questions, please note that reference to "Company" includes all of its past and current subsidiaries.

1. **Company**

2. **Legal structure of Company referred to in Question 1 above (please tick one box below):**

Proprietary Company (Pty Limited).....Yes No

Incorporated Association (Inc Association).....Yes No

Public Company Limited by Guarantee Yes No

Co-Operative Yes No

Please note: cover under the Palladium Management Liability Policy can only be considered in respect one of the above incorporated legal structures.

3. **Date of Incorporation**

4. **ABN**

5. **Street Address**

Suburb

State

Postcode

Palladium Management Liability Proposal Form

6. If the Company referred to in Question 1 is a Proprietary Company please tick one of the boxes below:

- | | | | |
|----------------------------|--------------------------|---------------------------|--------------------------|
| Retailers | <input type="checkbox"/> | Research & Development | <input type="checkbox"/> |
| Wholesalers/Distributors | <input type="checkbox"/> | Finance Companies | <input type="checkbox"/> |
| Manufacturers | <input type="checkbox"/> | Agricultural Producers | <input type="checkbox"/> |
| Professional Services | <input type="checkbox"/> | Transport & Storage | <input type="checkbox"/> |
| Information Technology | <input type="checkbox"/> | Education | <input type="checkbox"/> |
| Hospitality | <input type="checkbox"/> | Publishers & Broadcasters | <input type="checkbox"/> |
| Health & Community | <input type="checkbox"/> | Entertainment | <input type="checkbox"/> |
| Construction / Development | <input type="checkbox"/> | Other (please specify) | <input type="checkbox"/> |
| Blue Collar Services | <input type="checkbox"/> | _____ | |
| Mining & Exploration | <input type="checkbox"/> | | |

7. If the Company referred to in Question 1 is an Incorporated Association, Public Company Limited by Guarantee or Co-Operative please tick one of the boxes below:

Not for Profit Incorporated Body (NFPIB):

- | | | | |
|--------------------------|--------------------------|------------------------|--------------------------|
| Professional Sports Club | <input type="checkbox"/> | Health & Community | <input type="checkbox"/> |
| Community Action Group | <input type="checkbox"/> | Education | <input type="checkbox"/> |
| Political | <input type="checkbox"/> | Other (please specify) | <input type="checkbox"/> |
| Union | <input type="checkbox"/> | _____ | |

8. Company turnover last 12 months

9. Preferred Limit of Indemnity and Pecuniary Penalties (Sub-Limit)

Option 1

Limit of Indemnity – Option 1	Optional Pecuniary Penalties Sub-Limit
\$500,000 <input type="checkbox"/>	Not required <input type="checkbox"/>
\$1,000,000 <input type="checkbox"/>	\$250,000 <input type="checkbox"/>
\$2,000,000 <input type="checkbox"/>	\$500,000 <input type="checkbox"/>
\$3,000,000 <input type="checkbox"/>	\$1,000,000 <input type="checkbox"/>
\$4,000,000 <input type="checkbox"/>	\$2,000,000 <input type="checkbox"/>
\$5,000,000 <input type="checkbox"/>	\$5,000,000 <input type="checkbox"/>
\$6,000,000 <input type="checkbox"/>	
\$7,000,000 <input type="checkbox"/>	
\$8,000,000 <input type="checkbox"/>	
\$9,000,000 <input type="checkbox"/>	
\$10,000,000 <input type="checkbox"/>	
<i>Please only select one Limit of Indemnity Option above</i>	<i>Please select up to two boxes above. Please note the Pecuniary Penalties Sub-Limit cannot exceed the Limit of Indemnity</i>

Palladium Management Liability Proposal Form

Option 2

Limit of Indemnity – Option 2	Optional Pecuniary Penalties Sub-Limit
\$500,000 <input type="checkbox"/>	Not required <input type="checkbox"/>
\$1,000,000 <input type="checkbox"/>	\$250,000 <input type="checkbox"/>
\$2,000,000 <input type="checkbox"/>	\$500,000 <input type="checkbox"/>
\$3,000,000 <input type="checkbox"/>	\$1,000,000 <input type="checkbox"/>
\$4,000,000 <input type="checkbox"/>	\$2,000,000 <input type="checkbox"/>
\$5,000,000 <input type="checkbox"/>	\$5,000,000 <input type="checkbox"/>
\$6,000,000 <input type="checkbox"/>	
\$7,000,000 <input type="checkbox"/>	
\$8,000,000 <input type="checkbox"/>	
\$9,000,000 <input type="checkbox"/>	
\$10,000,000 <input type="checkbox"/>	
<i>Please only select one Limit of Indemnity Option above</i>	<i>Please select up to two boxes above. Please note the Pecuniary Penalties Sub-Limit cannot exceed the Limit of Indemnity</i>

10. Optional Direct Financial Loss Sub-limit (please tick up to two boxes below)

- Not Required
 \$100,000
 \$250,000
 \$500,000

11. Current Insurance

Are you currently insured under a management liability policy?

Yes No

If yes, please advise (i) insurer

(ii) Expiry Date

 / /

12. Stamp Duty

Please provide a breakdown in revenue by locations as follows

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	O'SEAS	TOTAL
%	%	%	%	%	%	%	%	%	100%

Statements

Please note that reference to “Company” includes all of its past and current subsidiaries.

General Statements

You can only qualify for terms if the following statements are true:

	General Statement (please tick True or Not True)	True	Not True
1	The Company does not conduct business, have representation, own assets in or derive revenue from North America	<input type="checkbox"/>	<input type="checkbox"/>
2	None of the former or current directors or officers of the Company (current or past) have ever been declared bankrupt.	<input type="checkbox"/>	<input type="checkbox"/>
3	None of the former or current directors or officers of the Company (current or past) have ever been a director or officer of an organisation placed in receivership, liquidation or provisional liquidation.	<input type="checkbox"/>	<input type="checkbox"/>
4	Since the last annual report and accounts was issued, there has been no significant change in the financial position, capital structure or operation of the Company which might materially affect the financial position in that annual report.	<input type="checkbox"/>	<input type="checkbox"/>
5	None of the directors or officers are aware of facts or circumstances that might affect the ability of the Company to meet all its debts as and when they fall due.	<input type="checkbox"/>	<input type="checkbox"/>
6	Other than directors, no employee is authorised to issue a cheque or any other bank instruments as a sole signatory, or to authorise any payment in excess of \$5,000 without authorisation by a supervisor or manager, process a refund to customers or accept any return of goods in excess of \$5,000 without authorisation by a supervisor or manager or reconcile any bank account through which that employee is authorised to deposit funds into or withdraw funds from.	<input type="checkbox"/>	<input type="checkbox"/>
7	The Company has not had a reduction in personnel affecting 5% or more of the workforce in a single location within the past 3 years.	<input type="checkbox"/>	<input type="checkbox"/>
8	The Company does not anticipate any redundancies, staff reductions or facility closures in the next 18 months.	<input type="checkbox"/>	<input type="checkbox"/>
9	The Company issues a written contract of employment to all employees.	<input type="checkbox"/>	<input type="checkbox"/>
10	In the past 5 years no claim has ever been made or civil, criminal or regulatory proceedings brought against the Company or any director, officer or employee (whether as directors, officers or employees of the Company or any other company), in respect of the risks of the kinds covered under the Management Liability policy.	<input type="checkbox"/>	<input type="checkbox"/>
11	In the past 5 years no director, officer or employee has received a notice to attend an official investigation, examination, inquiry or other proceedings ordered or commissioned by an official body or institution, in respect of the risks of the kind covered under the Management Liability policy.	<input type="checkbox"/>	<input type="checkbox"/>
12	In the past 5 years the Company has not suffered any loss as a result of any dishonest or fraudulent act of any employee, in respect of the risks of the kind covered under the Management Liability policy.	<input type="checkbox"/>	<input type="checkbox"/>
13	After enquiry , none of the directors or officers of the Company are aware of any act, omission, conduct, fact, event, circumstance or matter which might reasonably be expected to give rise to a claim or lead to civil or criminal proceedings against the Company or any director, officer, or employee, result in the Company or any director, officer or employee being required to attend an official investigation, examination, inquiry or other proceedings.	<input type="checkbox"/>	<input type="checkbox"/>

For any ‘Not True’ response above, please complete the attached Qualifying Statements section for Insurers further consideration.

Statements (cont...)

Please note that reference to “Company” includes all of its past and current subsidiaries.

Pecuniary Penalties Statements

	Pecuniary Penalties Statement (if cover sought please tick true or not true)	True	Not True
1	<u>In the past five years</u> the Company or any director, officer or employee (whether as directors, officers or employees of the Company or any other company) has not had any fine or penalty or infringement notice (other than for traffic offences) imposed by any Federal, State, Territory or local government or other regulatory authority.	<input type="checkbox"/>	<input type="checkbox"/>
2	<u>In the past five years</u> there have been no incidents or circumstances which could give rise to a fine or penalty (other than for traffic offences) being imposed on the Company or any director, officer or employee (whether as directors, officers or employees of the Company or any other company) by a Federal, State, Territory or local government or other regulatory authority.	<input type="checkbox"/>	<input type="checkbox"/>

For any ‘Not True’ response above, please complete the attached Qualifying Statements section for Insurers further consideration.

Insolvency Cover Statements

If the following statements are true then an insolvency exclusion may not apply:

	Insolvency Cover Statement	True	Not True
1	Since the last annual report and accounts was issued, there has been no significant change in the financial position, capital structure or operation of the Company which might materially affect the financial position in that annual report.	<input type="checkbox"/>	<input type="checkbox"/>
2	None of the directors or officers are aware of facts or circumstances that might affect the ability of the Company to meet all its debts as and when they fall due.	<input type="checkbox"/>	<input type="checkbox"/>
3	Based on the most recent set of consolidated financial statements for the Company, the ratio of current assets to current liabilities is at least 1:1.	<input type="checkbox"/>	<input type="checkbox"/>

Qualifying Statements please only complete in respect of a ‘Not True’ response to any:

- **General Statement; or**
- **Pecuniary Penalties Statement**

Declaration

I the undersigned declare that:

- i. I am authorised by each of the Insured to sign this Proposal Form; and
- ii. the above statements are correct and complete; and
- iii. I have read and understood the Notices which you have put before me and I understand the advice given in relation to the duty of disclosure; and
- iv. I have diligently made all necessary and detailed enquiries in order to comply with the duty of disclosure; and
- v. I confirm that all the General Statements are correct; and
- vi. I confirm that, if Pecuniary Penalties cover is required, all the Pecuniary Penalty Statements are correct.
- vii. I confirm that all the Insolvency Cover Statements are correct; and
- viii. I undertake to inform the Insurer of any material alteration to these facts occurring before completion of the contract of insurance; and
- ix. I acknowledge that the Insurer relies on the information and representations in this Proposal Form and otherwise made by me in relation to this insurance; and
- x. Except where indicated to the contrary, I understand that any statement made in this Proposal Form will be treated by the Insurer as a statement made by all persons to be insured; and
- xi. I have read the attached Privacy Statement within this Proposal Form, and consent to the use, disclosure and obtaining or personal information about the Insured's for the purposes shown in the Privacy Statement.

Signature _____

Title _____

Company _____

Date _____

NB: To be signed by the Chief Executive Officer, Company Secretary or Managing Director

We recommend that you keep a record, including copies of letters and this Proposal Form, of all information supplied to us for the purpose of entering into this contract.

Proposal Form Notices

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, 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 insurance, and if so, on 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 any 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 his business, ought to know;
- as to 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, refuse to pay the 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.

Claims Made and Notified Basis of Coverage

Some sections of this Management Liability Insurance Policy are issued on a 'claims made and notified' basis.

This means that these sections of the policy respond to:

- a) claims first made against you during the policy period and notified to the insurer during the policy period, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- b) written notification of facts pursuant to Section 40(3) of the Insurance Contracts Act 1984. The facts that you may decide to notify are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which the policy expires. If you give written notification of facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, S40(3) of the Insurance Contracts Act 1984 is set out below;

"S40(3) Where the insured gave notice in writing to the insurer of *facts* that might give rise to claim against the insured as soon as was reasonably practicable after the insured became aware of those *facts* but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim when made by reason only that it was made after the expiration of the period of insurance cover provided by the contract."

When the policy period expires, no new notification of claims or facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the policy period. An exception to this is under the extended reporting period extension. If an extended reporting period is purchased as provided for in the extension, then some cover for new notification of Claims or facts is available.

You will not be entitled to indemnity under your new policy in respect of any claim resulting from an act, error or omission occurring or committed or alleged to have occurred or been committed prior to the retroactive date, where one is specified in the policy terms which are offered to you.

2. Retroactive Date

If a retroactive date applies to a section of this policy then it means that cover is excluded for any wrongful act occurring or committed prior to the Retroactive Date.

Our policy also contains provisions that exclude cover for any wrongful act occurring or committed by a subsidiary company and its directors, officers or employees prior to its acquisition or creation by the policyholder.

Proposal Form Notices (cont...)

Coverforce Underwriting Pty Ltd (Coverforce) collects personal information (*this is information or an opinion about an individual whose identity is apparent or can be reasonably ascertained and which relates to a natural living person*) for the purposes of providing insurance intermediary services to you. This includes the following activities:

1. Evaluating your proposal for insurance; and
2. Evaluating any request for a change to your insurance; and
3. Providing, administering and managing the insurance intermediary services and insurance product/s provided, following acceptance of your proposal; and
4. Assisting with the management of claims made in relation to any insurance you have arranged with Coverforce.

3. Preservation of rights of recovery

Our policy contains a provision that has the effect of excluding or limiting our liability in respect of a loss, if the insured releases, agrees not to sue on, waives or prejudices its rights of recovery, or enters into any arrangement or compromise or does any act whereby any rights or remedies to which the insurer would be subrogated are or may be prejudiced.

4. Subrogation Waiver

Our policy contains a provision that has the effect of excluding or limiting our liability in respect of a liability incurred solely by reason of the Insured entering into a deed or agreement excluding, limiting or delaying the legal rights or of recovery against another.

5. Privacy Statement

The Privacy Act 1988 (as amended) now applies and requires us to inform you that:

Purpose of collection

The personal information collected can be used or disclosed by us to underwriters, from whom we seek terms or policy changes on your behalf. It can also be used or disclosed by us for a secondary purpose related to those noted above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose. However, for sensitive information, the secondary purpose must be related to those purposes noted above.

Disclosure

Coverforce may disclose your personal information, when necessary and in connection with the purposes listed above, to the following:

1. Insurers whom we approach on your behalf to seek terms or, if your proposal for insurance has come to us via another intermediary, to that intermediary.
2. Government bodies.
3. Loss assessors.
4. Claims investigators.
5. Claims reference providers.
6. Other services providers.
7. Medical and health professionals (life risk only).
8. Legal and other professional advisers.

Consequences if information is not provided

If you do not provide us with the information we need we, or underwriters to whom we would normally send you proposal, will be unable to consider your proposal for insurance cover and or administer your policy and or assist with the management of any claim under your policy.

Access

You can request access to your personal information by contacting our Privacy Officer on +61 2 8814 7777.