



## ARCH KEYSTONE MANAGEMENT LIABILITY

provided by Arch Underwriting of Lloyds (Australia) Pty Ltd  
 Suites 4.01 & 4.02, Level 4  
 68 York Street  
 Sydney NSW 2000

**THIS IS TO CERTIFY** that in accordance with the authorization granted under the Contract No B6060500000012020 by certain Underwriters at Lloyd's and in consideration of the premium specified herein, the said Underwriters are hereby bound, severally and not jointly, each for his own part and not one for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

### SCHEDULE

**Certificate No:** P0014835ML2020AU0

- 1. Policyholder:** Netball Australia Ltd, Northern Territory Netball Association Ltd (NT Netball), Netball Queensland Ltd, South Australian Netball Association Inc (Netball SA), Tasmanian Netball Association (Netball Tasmania), Victorian Netball Association Inc (Netball Victoria), Netball WA Incorporated ( WA Netball), ACT Netball Association Inc (Netball ACT), New South Wales Netball Association Limited (Netball NSW) including all affiliated Associations and Clubs
- 2. Company:** Netball Australia Ltd
- 3. Principal Address:** 191 Johnson Street  
Fitzroy Victoria 3065
- 4. Period of Insurance:** 01 January 2020 4:00p.m. to 01 January 2021 4:00p.m.

### AUTOMATIC COVERAGE FOR YOU

- 5. Maximum Limit of Indemnity:** \$10,000,000  
**Limit of Indemnity in respect of:** \$10,000,000 in the aggregate  
**Insuring Clause 1** \$10,000,000 (Claims made against You in respect of the affairs of the Company)  
**Insuring Clause 2** full limit (Claims made against You in respect of the affairs of an Outside Entity)  
**Insuring Clause 3** full limit (Claims made against You in respect of Employment Superannuation Scheme)  
**Insuring Clause 7** full limit (Pre-Investigation Costs)  
**Insuring Clause 13** full limit (Advancement of Defence Costs or Legal Representation Expenses)
- 6. Sub Limit of Indemnity in respect of:**  
**Insuring Clause 4** \$1,000,000 (Claims made against You in respect of Statutory Liability)  
**Insuring Clause 5** \$75,000 (Tax Investigation Expenses Incurred by You)  
**Insuring Clause 6** (Free Legal Assistance)  
**Insuring Clause 8** 10% of Limit of Indemnity for Insuring Clause 1 (Emergency Defence Costs)

<b>Insuring Clause 9</b>	\$50,000 (Deprivation of Assets Expenses)
<b>Insuring Clause 10</b>	\$100,000 (Bail & Civil Bond Premium)
<b>Insuring Clause 11</b>	\$75,000 (Cyber Privacy and Confidentiality Costs)
<b>Insuring Clause 12</b>	\$75,000 (Occupational Health & Safety Defence Costs)

#### AUTOMATIC COVERAGE FOR THE COMPANY

#### 7. Limit of Indemnity in respect of:

<b>Insuring Clause 14</b>	\$10,000,000 in the aggregate (Company Reimbursement)
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#### 8. Sub Limit of Indemnity in respect of:

<b>Insuring Clause 15</b>	\$1,000,000 (Employment Related Claims)
<b>Insuring Clause 16</b>	\$1,000,000 (Claims made against Company in respect of Employment Superannuation Scheme)
<b>Insuring Clause 17</b>	\$500,000 (Claims against Company in respect of Statutory Liability)
<b>Insuring Clause 18</b>	\$50,000 (Keyman costs)
<b>Insuring Clause 19</b>	\$100,000 (Crisis Management Costs)
<b>Insuring Clause 20</b>	\$50,000 (Disruption Expenses for Hearings and Inquiries)
<b>Insuring Clause 21</b>	\$50,000 (Cyber Privacy and Confidentiality Costs (third party))
<b>Insuring Clause 22</b>	10% of Limit of Indemnity for Insuring Clause 14 (Emergency Defence Costs)
<b>Insuring Clause 23</b>	\$50,000 (Breach of Contract Defence Costs)
<b>Insuring Clause 24</b>	\$50,000 (Identity Fraud Costs)
<b>Insuring Clause 25</b>	\$50,000 (Tax Investigation Expenses Incurred by the Company)
<b>Insuring Clause 26</b>	\$50,000 (Pollution Defence Costs)

#### OPTIONAL COVER EXTENTIONS FOR THE COMPANY

#### 9. Sub Limit of Indemnity in respect of:

<b>Insuring Clause 27</b>	Not included (Securities Claims)
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#### Additional Limit of Indemnity in respect of:

<b>Insuring Clause 28</b>	\$250,000 (Crime)
<b>Insuring Clause 29</b>	\$50,000 (Legal Fees, costs and expenses)
<b>Insuring Clause 30</b>	\$100,000 (Specialist Investigative Fees)

#### 10. Other Optional Extensions:

1. Discovery Period:	Not Applicable
2. Retirement Cover Discovery Period Option:	Not Applicable
3. Run-off Policy Option:	Not Applicable

<b>11. Retention (each and every claim):</b>	In respect of all Insuring Clauses other than the following:	\$15,000 for all claims
	In respect of Insuring Clauses 1 to 13	Nil
	In respect of Insuring Clause 15	\$20,000 (Employment Related Claims)
	In respect of Insuring Clause 17	\$20,000 (Company Statutory Liability Claims)
	In respect of Insuring Clause 27	Nil (Securities Claims)
	In respect of Insuring Clause 28	\$20,000 (Crime)
<b>12. Retroactive Date:</b>	Unlimited	
<b>13. Prior or Pending Litigation Date:</b>	01 January 2020	
<b>14. Policy Document:</b>	ARCH ML Wording 2016	
<b>15. Outside Entity:</b>	None noted.	
<b>16. Endorsements:</b>	See endorsements below.	
<b>17. Premium Details:</b>		
<b>Premium:</b>	As agreed	
<b>18. Date of Proposal:</b>	03 December 2019	
<b>19. Broker:</b>	Willis Australia Limited	
<b>20. Security:</b>	Arch Underwriting at Lloyds (Australia) Pty Ltd on behalf of Arch Syndicate 2012 100%	

## ENDORSEMENTS

**Notwithstanding anything to the contrary stipulated in the Policy document or the Policy or any endorsement, the Policy is amended as follows:**

### Inadequate Insurance Exclusion - Events Staged

Underwriters shall not indemnify the Insured for any claim made under this Contract which arises directly or indirectly from, or in connection with the Insured failing to arrange appropriate liability insurance for events staged or organised by or on behalf of the Insured.

### Insolvency Exclusion

Underwriters shall not be liable for any claim made under this Contract which arises directly or indirectly or in connection with any obligation by the Insured or any Insured Person(s) to pay debts incurred or which related in any way to the failure to meet financial obligations whether by way of breach of the provisions of the Corporations Act 2001, (Cth), Trade Practices Act 1974, (Cth), or similar legislation, or otherwise.

**Molestation Exclusion**

Underwriters shall not be liable for any claim made under this Contract which arises directly or indirectly from or in connection with the actual or alleged sexual assault of, molestation of or indecent interference with any person (including any corpse) or attempt thereof or the consequences thereof.

**Segregation of Duties Endorsement**

We shall not be liable for any claim made under Insuring Clause 28 of this Contract which arises directly or indirectly out of:

- (i) the Insured failing to ensure that at least two officers sign any cheques, Negotiable Instruments or funds transfer instructions.
- (ii) the Insured failing to ensure that at least two Employees authorise any refund of money or return of goods.
- (iii) the Company's bank accounts being reconciled by any person who has authority to operate those bank accounts.
- (iv) the Insured failing to ensure that at least two Employees take the responsibility for the ordering, receiving, recording & stocktaking of goods.

In all other respects the Policy remains unaltered.

**Player Contract Exclusion**

We will not pay for Covered Loss, Crime Loss and/or Loss arising directly or indirectly from, or in connection with any Claim arising directly or indirectly from or in connection with any written, oral, express or implied contract between the Insured and any hockey player.

In all other respects the Policy remains unaltered

**Modified Deductible for Associations Endorsement**

In relation to any Management Liability Claim made against any Association deemed a Subsidiary of the Insured, it is hereby declared and agreed that Section 11 Retention referred to in the Schedule is amended to include the following;

**11. Retention (each and every claim):**

In respect of all Insuring Clauses  
\$7,500 for all claims  
other than the following:

In respect of Insuring Clauses 1 to 13  
Nil

In respect of Insuring Clause 15  
\$10,000 (Employment Related Claims)

In respect of Insuring Clause 17  
\$10,000 (Entity Statutory Liability Claims)

In respect of Insuring Clause 27  
Nil (Securities Claims)

In respect of Insuring Clause 28  
\$10,000 (Crime)

In all other respects the Policy remains unaltered.

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The amount of Premium specified herein is the amount due to the Underwriters and any commission allowed by them is to be regarded as remuneration of the broker placing this Insurance.

In the event of a claim arising under this Insurance IMMEDIATE WRITTEN NOTICE should be given to:

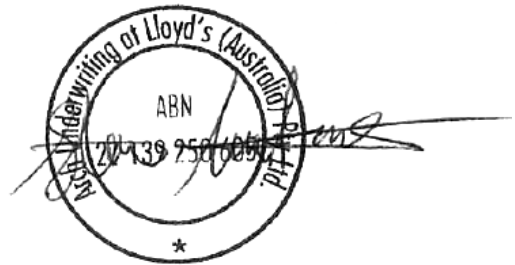
**Arch Underwriting at Lloyd's (Australia) Pty Ltd**  
**Suites 4.01 & 4.02, Level 4, 68 York Street, Sydney NSW 2000**

AUALA takes seriously its compliance with the General Insurance Code of Practice (the Code) in respect to its claims handling and generally. AUALA's claims handling procedures are comprehensive and Code compliant. AUALA's claims department is committed to maintaining a high level of specialist service and support to you and your brokers with emphasis on conducting claims in a fair, transparent and timely way.

Issued at Sydney this 14 January 2020

By:

IN WITNESS WHEREOF this Certificate has been signed at Melbourne



**Arch Underwriting at Lloyd's (Australia) Pty Ltd**  
For and on behalf of Syndicate 2012 at Lloyd's  
14 January 2020

Any enquiries in respect to this Certificate should be directed to:

**Arch Underwriting of Lloyds (Australia) Pty Ltd**  
**(ABN 27 139 250 605)**  
**AFS License No: 426746**  
**Suites 4.01 & 4.02, Level 4,**  
**68 York Street, Sydney NSW 2000**  
**Ph: (02) 8284 8400                      Fax: (02) 8088 1024**



## ARCH KEYSTONE MANAGEMENT LIABILITY

### Policy Wording

#### About Arch

The insurers of this insurance are the underwriters of Arch Syndicate 2012 at Lloyd's ("We", "Us" or "Our").

Arch Underwriting at Lloyd's (Australia) Pty Ltd ABN 27 139 250 605 AFSL 42674 (AUALA) has been authorised by the insurers to act on their behalf to deal in and provide general advice and handle and settle claims in relation to this insurance. AUALA is an Australian Financial Services Licensee authorised to deal in and provide general advice on general insurance products.

AUALA has a binding authority which means it can enter into, vary or cancel this insurance and handle and settle claims without reference to Us provided it acts within the binding authority. When providing these services, AUALA acts for Us and does not act on your behalf.

#### Contact Details

AUALA can be contacted as follows:

In writing to: Arch Underwriting at Lloyd's (Australia) Pty Ltd, Level 10, 61 York Street, Sydney NSW 2000

Telephone: (02) 8284 8400

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#### Important Notices under the Insurance Contracts Act 1984

##### "Claims made and notified" general information

The information under this heading is provided for general information purposes only and does not:

- form part of the Policy.
- impose any contractual obligations on any Insured or create contractual rights between us.

Certain insuring clauses in this Policy Wording operate on a "Claims made and notified" basis, which means that they:

cover claims made against the relevant Insured and notified to Us in writing during the Period of Insurance.

do not provide cover in relation to:

- claims made against an Insured after the expiry of the Period of Insurance even though the event giving rise to the claim may have occurred during the Period of Insurance (unless specified otherwise);
- claims made against an Insured 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 an Insured prior to the commencement of the Period of Insurance;
- facts or circumstances of which an Insured first became aware prior to the Period of Insurance, and which they knew or ought reasonably to have known had the potential to give rise to a claim under the Policy;
- claims arising out of circumstances noted on the proposal for the current Period of Insurance or on any previous proposal form;
- claims arising from civil, administrative, criminal or regulatory proceeding, investigation, arbitration or adjudication that existed prior to or was pending before the Prior or Pending Litigation Date specified in the Policy Schedule.

If the Insured gives notice in writing to Us of any facts that might give rise to a Claim against them as soon as reasonably practicable after they become aware of those facts but before the expiry of the Period

of Insurance, they may have rights under Section 40(3) of the Insurance Contracts Act 1984 (the Act) to be indemnified in respect of any claim subsequently made against them arising from those facts, notwithstanding that the Claim is made after the expiry of the Period of Insurance. Such rights arise under the Act only. The terms of the Policy and the effect of the Policy is that the Insured is not covered for claims made against them after the expiry of the Period of Insurance unless specified otherwise.

### **Duty of Disclosure**

Before any person/s enter into an insurance policy with Us, they have a duty under the Insurance Contracts Act 1984 to disclose to Us every matter that they know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms. They have the same duty to disclose those matters to Us before they renew, extend, vary or reinstate the Policy.

The duty applies until the Policy is entered into or, where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between the time disclosures are made and the Relevant Time, the person/s need to tell Us.

### ***What We do not need to know***

A person does not need to tell Us about any matter that:

- diminishes Our risk;
- is of common knowledge;
- We know or should know in Our business as an insurer;
- We tell the person We do not need to know.

### ***Who does the duty apply to?***

The duty of disclosure applies in relation to everyone who is insured under the Policy.

### ***What happens if the duty of disclosure is not complied with?***

If the duty of disclosure is not complied with We may cancel the Policy and/or reduce Our liability under the Policy in respect of a claim or loss. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

### **Utmost good faith**

The Policy is based on the utmost good faith requiring Us and the proposer/insured(s) (including third party beneficiaries after the Policy is entered into) to act towards each other with the utmost good faith in respect of any matter relating to the Policy. A failure to comply is a breach of the Insurance Contracts Act 1984.

### **Underwriters' sanction limitation and exclusion clause**

We shall not be liable to pay or indemnify the Insured for any loss or claim made under the Policy which would expose any of Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

### **Notices**

We will send all notices in relation to the Policy to:

- the Policyholder's nominated insurance intermediary until We receive written notice to the contrary from the Policyholder;
- if there is no nominated intermediary, the Policyholder, acting on behalf of the Insured.

### **About the Policy**

Where We agree to enter into a Policy it is a contract between Us and the Insured (see the definition of "Insured" for details of who is covered by this term). The Policy is entered into subject to the payment or agreement to pay Us the premium by the Insured, including government taxes and charges, and the Policy terms and conditions (including limits and the Retention).

The Policy is made up of this Policy Wording which sets out Our standard terms, the Certificate of Insurance and Schedule which We issue to confirm the issue of the Policy and which contain additional information specific to the Insured and the Policy, any agreed endorsements and the Proposal. These are all important documents and should be carefully read together and kept in a safe place for future reference.



## Section A: What is covered by the Policy?

The covers, including automatic covers, and optional extensions, set out in this Section A are subject to the:

- other terms and conditions of the Policy;
- relevant Limit of Indemnity, Sub Limit of Indemnity or Additional Limit of Indemnity shown in the Schedule as applicable to the cover and the Maximum Limit of Indemnity; and
- the Retention,

unless expressly specified otherwise.

### Automatic Coverage For You

Insuring Clauses 1 to 13 only apply to the extent that You have not been indemnified for the relevant loss You can claim for under the relevant Insuring Clause.

Any Management Liability Claim in Insuring Clauses 1 to 3 must be first made against You and notified in writing to Us during the Period of Insurance.

#### **Insuring Clause 1 - Claims made against You in respect of the affairs of the Company**

We will pay Covered Loss incurred by You in respect of any Management Liability Claim to the extent the claim arises from the performance of Your duties in Your capacity as a Director or Officer of the Company.

#### **Insuring Clause 2 - Claims made against You in respect of the affairs of an Outside Entity**

Where You perform a directorial or management function in an Outside Entity at the instigation of the Company and in Your capacity as a Director or Officer of the Company, We will pay Covered Loss incurred by You in respect of any Management Liability Claim to the extent the claim arises from Your acting in a directorial or management capacity for the Outside Entity.

#### **Insuring Clause 3 - Claims made against You in respect of Employment Superannuation Scheme**

We will pay Covered Loss incurred by You in respect of a Management Liability Claim to the extent it arises from the performance of Your duties in Your capacity as a Director or Officer or Trustee of any Plan of the Company.

#### **Insuring Clause 4 - Claims made against You in respect of Statutory Liability**

We will pay any Statute Liability Loss incurred by You in respect of any Statutory Liability Claim first made against You and notified to Us in writing during the Period of Insurance.

#### **Insuring Clause 5 - Tax Investigation Expenses Incurred by You**

We will indemnify You in respect of any Tax Investigation Expenses Incurred by You.

#### **Insuring Clause 6 - Free Legal Assistance**

You are entitled, during the Period of Insurance, to one free legal consultation up to a maximum of two hours from the practitioner(s) nominated in Appendix 1, on any matter notifiable or that could reasonably be assumed to be notifiable under this Policy, provided:

- (a) You may not seek advice on this Policy or any indemnity issues;
- (b) We reserve the right to change the nominated practitioner(s) at Our discretion and any change will be notified on Your request;
- (c) if You seek cover under this clause, You authorise Us to engage (at Our discretion) the nominated practitioner(s) to represent You and You authorise such engaged nominated practitioner(s) to disclose to Us any information obtained in the course of tendering advice to You and You waive (to the extent necessary) all rights to legal professional privilege as between You and Us.

#### **Insuring Clause 7 - Pre-Investigation Costs**

We will pay Pre-Investigation Costs incurred by You in respect of any claim covered under Insuring Clauses 1 to 4.

#### **Insuring Clause 8 - Emergency Defence Costs**

In the event it is not reasonably possible for You to obtain our prior written consent prior to the incurring of Defence Costs, We will pay Emergency Defence Costs incurred by You during the Period of Insurance, subject to the Defence Costs Repayment Obligation.

#### **Insuring Clause 9 - Deprivation of Assets Expenses**

We will pay Deprivation of Assets Expenses incurred by You in respect of any claim covered under Insuring Clauses 1 to 3.

Such expenses will only be payable 30 days after the exhaustion of any personal allowance directed by a court to meet such payments, and only for a period of up to 12 months.

#### **Insuring Clause 10 - Bail & Civil Bond Premium**

We will pay Bail & Civil Bond Premium incurred by You in respect of any claim covered under Insuring Clauses 1 to 4.

#### **Insuring Clause 11 - Cyber Privacy and Confidentiality Costs**

We will pay Cyber Privacy and Confidentiality Costs incurred by You in respect of any Management Liability Claim covered under Insuring Clauses 1 to 3.

#### **Insuring Clause 12 - Occupational Health & Safety Defence Costs**

We will pay all reasonable and necessary Defence Costs incurred by You with Our prior written consent, where You are legally compelled, during the Period of Insurance, to attend any official Investigation, examination, inquiry or other proceedings ordered or commissioned by any official body or institution (including proceedings alleging involuntary manslaughter, corporate manslaughter or gross negligence manslaughter), and which involves an allegation that You or the Company has breached occupational health and safety laws, subject to the Litigation Management Guidelines. This cover applies notwithstanding exclusion 21 (Bodily Injury and Property Damage).

#### **Insuring Clause 13 - Advancement of Defence Costs or Legal Representation Expenses**

We will pay, prior to the final disposition of any Covered Loss, Defence Costs or Legal Representation Expenses incurred by You in respect of any Management Liability Claim or Statutory Liability Claim first made against You and notified to Us in writing during the Period of Insurance, subject to the Defence Costs Repayment Obligation.

We will pay within thirty (30) days of receipt of invoices from defence counsel.

### **Automatic Coverage For The Company**

#### **Insuring Clause 14 - Company Reimbursement**

We will reimburse the Company to the extent that the Company is liable or permitted to indemnify You for what is, or would otherwise have been, in the absence of indemnification by the Company, the subject of a valid claim by You under Insuring Clauses 1 to 4.

#### **Insuring Clause 15 - Employment Related Claims**

We will pay Covered Loss incurred by the Company in respect of an Employment Related Claim first made against the Company and notified to Us in writing during the Period of Insurance.

#### **Insuring Clause 16 - Claims made against the Company in respect of Employment Superannuation Scheme**

We will pay Covered Loss incurred by the Company in respect of a Management Liability Claim first made against the Company and notified to Us in writing during the Period of Insurance as a result of acting as a Trustee of any Plan.

#### **Insuring Clause 17 - Claims against the Company in respect of Statutory Liability**

We will pay any Statute Liability Loss incurred by the Company in respect of any Statutory Liability Claim first made against the Company and notified to Us in writing during the Period of Insurance.

#### **Insuring Clause 18 - Keyman Costs**

We will pay Keyman Costs incurred by the Company during the Period of Insurance, subject to the Additional Limit of Indemnity.

#### **Insuring Clause 19 - Crisis Management Costs**

We will pay Crisis Management Costs incurred by the Company by reason of a claim covered under Insuring Clauses 14 to 17, or a circumstance which has been accepted by Us under Section D clause 4 (Continuous coverage) as one from which a covered Claim under Insuring Clauses 14 to 17 may arise.

In order for the Company to have the benefit of this cover the Company must give written notice to Us of details of the Reputation Concern within 14 days of the Reputation Concern arising and in any event during the Period of Insurance.

#### **Insuring Clause 20 - Disruption Expenses for Hearings and Inquiries**

We will pay Disruption Expenses incurred by the Company during the Period of Insurance.

**Insuring Clause 21 - Cyber Privacy and Confidentiality Costs (third party)**

We will pay Cyber Privacy and Confidentiality Costs incurred by the Company in respect of any claim under Insuring Clauses 14 to 16 first made against the Company during the Period of Insurance.

**Insuring Clause 22 - Emergency Defence Costs**

In the event it is not possible for the Company to obtain our prior written consent prior to the incurring of Defence Costs, We will pay Emergency Defence Costs, incurred by the Company during the Period of Insurance, subject to the Defence Costs Repayment Obligation.

**Insuring Clause 23 - Breach of Contract Defence Costs**

We will pay Defence Costs incurred by the Company in respect of a claim covered under Insuring Clauses 1 to 3 involving any actual or alleged breach of an express oral or written term of a contract by the Company.

**Insuring Clause 24 - Identity Fraud Costs**

If during the Period of Insurance any third party other than the Company enters into any agreement with a Relevant Individual who fraudulently represents themselves as the Company, and then that third party seeks to enforce such an agreement against the Company, We will pay any reasonable fees, costs and expenses incurred by the Company in establishing that a fraudulent misrepresentation has occurred provided You have notified Us in writing during the Period of Insurance and We have given Our prior written consent.

**Insuring Clause 25 - Tax Investigation Expenses Incurred by the Company**

We will indemnify the Company in respect of any Tax Investigation Expenses Incurred by the Company.

**Insuring Clause 26 - Pollution Defence Costs**

We will pay Defence Costs incurred by the Company in respect of a claim covered under Insuring Clauses 1 to 4 arising from a Pollution Event.

### Optional Extensions For The Company

These Optional Extensions for the Company only apply if specified as applicable in the Schedule.

**Insuring Clause 27 - Securities Claims**

We will pay Covered Loss incurred by the Company in respect of a Securities Claim first made against the Company and notified to Us in writing during the Period of Insurance.

**Insuring Clause 28 - Crime**

Provided the Company or You have notified Us in writing during the Period of Insurance and We have given Our prior written consent, We will pay:

- (a) **Employee fraud**  
the Company up to the aggregate amount specified in the Schedule for Company Crime Loss first Discovered by the Company during the Period of Insurance arising from acts of fraud or dishonesty committed by an Employee with the principal intent of causing the Company Crime Loss or to obtain personal financial gain (whether acting alone or in collusion with others);
- (b) **Third Party Crime**  
Company Crime Loss first Discovered by the Company during the Period of Insurance arising from any Theft or Fraudulent Act of a Relevant Individual;
- (c) **Electronic and Computer Crime**  
Covered Loss first Discovered by the Company during the Period of Insurance arising from any Electronic and Computer Crime of a Relevant Individual;
- (d) **Destruction and Damage of Money or Negotiable Instruments**  
Company Crime Loss first Discovered by the Company during the Period of Insurance arising from any physical loss of or damage to, or actual destruction of or disappearance of any of the Company's Money or Negotiable Instruments, including damage to or actual destruction of safes or vaults;
- (e) **Third Party custody, care and control**

direct financial loss of Money, Negotiable Instruments or other Property belonging to a third party, provided:

- i) the loss is first Discovered by the Company during the Period of Insurance;
- ii) the Company had the Money, Negotiable Instruments or other Property in its care, custody or control;
- iii) the Company is liable to that third party for the loss.

### **Insuring Clause 29 - Legal fees, costs and expenses**

We will pay the Company, up to an aggregate amount of \$50,000 for the reasonable legal fees, costs and expenses incurred by the Company in the defence of any written demand, claim, suit or legal proceedings which the Company subsequently establishes results directly from a Crime Loss that is covered or potentially covered under Insuring Clause 28 provided the Company or You have notified Us in writing during the Period of Insurance and We have given Our prior written consent.

### **Insuring Clause 30 - Specialist Investigative Fees**

We will pay the Company, up to an aggregate amount of \$100,000 for the reasonable fees, costs and expenses incurred by the Company with Our prior written consent, to retain a specialist investigator to investigate, report on or prove a covered or potentially covered Crime Loss under Insuring Clause 28. The specialist investigator must be pre-approved by Us in writing and not have any conflict of interest concerning the retainer.

### **Further provision relating to insuring clauses 28 to 30**

The aggregate amounts detailed in Insuring Clauses 28 (Crime), 29 (Legal fees, costs and expenses) and 30 (Specialist Investigative Fees) are subject to the Additional Limit of Indemnity. Insuring Clauses 29 (Legal fees, costs and expenses) and 30 (Specialist Investigative Fees) are not subject to a Retention.

## **Other Optional Extensions**

These Extensions only apply if specified as applicable in the Schedule.

### **Insuring Clause 31 - Discovery Period Options**

If this Policy is not replaced by any other insurance affording directors and officers management liability cover and there has not been a Merger or Acquisition, We will provide an automatic Discovery Period of 30 days from the expiry of the Period of Insurance for no additional premium (following which no further Discovery Period cover can be purchased), or You can purchase one of the following Discovery Period options.

You may purchase one of the following Discovery Period options (as applicable) subject to the following:

- (a) You must give Us written confirmation of the Discovery Period Option required within 30 days prior to the expiry of the Period of Insurance;
- (b) You must have paid the additional premium within 30 days prior to the expiry of the Period of Insurance;
- (c) the Discovery Period Options:
  - (i) do not serve to increase the Limit of Indemnity, Sub Limit of Indemnity, Maximum Limit of Indemnity or Additional Limits of Indemnity in any way;
  - (ii) may not be cancelled and the additional premium for a Discovery Period is not refundable.

#### **Discovery Period Option (1)**

If We refuse to offer to renew this Policy, then the Company or You may purchase a Discovery Period of either:

- (a) 12 months from the expiry of the Period of Insurance upon payment of an additional premium of 100% of the annual or annualised equivalent of the premium;
- (b) 24 months from the expiry of the Period of Insurance upon payment of an additional premium of 175% of the annual or annualised equivalent of the premium.

#### **Discovery Period Option (2)**

If the Company or You choose not to renew this Policy, then the Company or You may purchase a Discovery Period of 12 months from the expiry of the Period of Insurance upon payment of 100% of the annual or annualised equivalent of the premium.

### **Insuring Clause 32 - Retirement Cover Discovery Period Option**

"Retire" means that of Your own volition and without coercion, You completely cease to hold Your position as a Director or Officer of the Company. "Retire" does not mean that You cease to hold Your position as a Director or Officer because You were disqualified or dismissed (either actively or constructively) from employment or office.

If:

- (a) You Retire prior to the expiry of the Period of Insurance and before a Merger or Acquisition;
- (b) We do not renew the Policy or replace it with any other insurance providing directors and officers management liability cover,

You will be entitled to a 36 month Discovery Period to Your cover under the Policy at no additional premium. The 36 month Discovery Period shall run from the date You Retire and will run concurrently with any Discovery Period in force under Insuring Clause 31 (Discovery Period Options).

This Retirement Cover Discovery Period Option does not serve to increase the Limit of Indemnity, Sub Limit of Indemnity, Maximum Limit of Indemnity or Additional Limits of Indemnity in any way.

### **Insuring Clause 33 - Runoff Policy Option**

If there is a Merger or Acquisition, You may request from Us a runoff policy for a period of either:

- (a) 12 months;
- (b) 24 months;
- (c) 36 months;
- (d) such other time agreed by Us,

and must pay the applicable premium for the runoff policy specified for options (a) to (c) in the Schedule, or as agreed for option (d).

However, if You or the Company or any other party have notified Us (as set out in Section D clause 3 of this Policy) of any Claim, Loss or threatened Claim or other circumstance(s) which may lead to a Claim against You and/or the Company, We are not obliged to offer any runoff policy.

If any runoff policy is purchased We will refund the relevant unused proportion of the premium paid for this Policy. This refund shall be calculated pro rata as at the effective date of the Merger or Acquisition.

A runoff policy is subject to the same terms, conditions and exclusions as this Policy and is subject to the following:

- (i) the Period of Insurance will be one of the option periods noted above;
- (ii) the premium will be that as specified for the option periods above;
- (iii) it cannot be cancelled and the premium for it is not refundable;
- (iv) We may cancel it due to non-payment of premium by giving written notice in accordance with the Insurance Contracts Act 1984;
- (v) it only applies to covered acts, errors, omissions or matters, actually or allegedly committed by You prior to the effective date of the Merger or Acquisition;
- (vi) it shall have effect from the effective date of the Merger or Acquisition.

## **Section B: Definitions**

The following words used in the Policy have these special meanings unless otherwise specified.

**Additional Limit(s) of Indemnity** means the aggregate limit of Our liability under the coverage given under Section A in relation to Insuring Clause 18 (Keyman Costs) and under Optional Extension Clauses 28 (Crime), 29 (Legal fees, costs and expenses) and 30 (Specialist Investigative Fees). Any Additional Limit of Indemnity applies in addition to the Limit of Indemnity but is included in the Maximum Limit of Indemnity.

**Bail & Civil Bond Premium** means the reasonable premium (but not collateral) for a bond or other financial instrument to guarantee Your contingent obligation for bail required by a court hearing, a Management Liability Claim, or Statutory Liability Claim covered under Insuring Clauses 1 to 4.

**Certificate of Insurance** means the document evidencing insurance cover provided by Us and incorporating the Schedule.

**Cheque Forgery** means:

- (a) the Forgery or Fraudulent Alteration of any cheque or similar written promise by the Company to pay a veritable sum representing money drawn upon the Company's account at any bank at which the Company maintains a current or savings account;
- (b) the Fraudulent Alteration of, on or in any cheque draft:
  - (i) drawn upon by any bank;
  - (ii) drawn upon by any corporation upon itself;
- (c) the Fraudulent Alteration of, on or in any cheque or written order or direction to pay a veritable sum representing money drawn by any public body upon itself, or any warrant drawn by any public body which the Company shall receive at any of its premises in payment or purported payment for:

- (i) tangible property sold and delivered;
- (ii) services rendered.

**Claim** means:

- (a) Management Liability Claim;
- (b) Employment Related Claim;
- (c) Statutory Liability Claim;
- (d) Securities Claim (where option applicable);
- (e) Investigation;
- (f) Crime Loss (where option applicable).

**Company** means:

- (a) the Company specified in the Schedule;
- (b) any Subsidiary existing when the Policy is entered into;
- (c) any Subsidiary that becomes a subsidiary of the Company during the Period of Insurance, but excluding any Subsidiary located outside Australia, unless agreed by Us in writing to be covered.

**Company Crime Loss** means direct financial loss (excluding consequential loss or loss of profit) sustained by the Company.

**Computer** means any computer, data processing equipment media or part thereof, or system of data storage and retrieval or communications system, network, protocol or part thereof, or storage device, microchip, integrated circuit, real-time clock system, or similar device or any computer software, firmware or microcode. Computer shall also include its components available to its users, including but not limited to memory, bandwidth, processor time, use of communication facilities and any other computer-connected equipment.

**Computer Fraud** means the theft of the Company's assets under the direct or indirect control of a Computer by manipulation of computer hardware or software programmes of systems by any Relevant Individual who is not authorised by the Company to access that Computer.

**Confidential Information** means all information intended by the Company to remain confidential which is available to its Directors or Officers. Confidential Information shall not include any information that is or becomes generally available to the public (other than as a result of its unauthorised disclosure) or was available to a recipient on a non-confidential basis prior to disclosure by the Company, or was lawfully in the possession of the recipient before the information was disclosed to it, or the relevant parties agree in writing it is not confidential or may be disclosed, or is developed by or for the recipient independently of the information disclosed, or is trivial, obvious or useless.

**Corporate Card Fraud** means the fraudulent use of any corporate credit card, debit or charge card issued to the Company or any Employee for business purposes where the use of such card is Forged or is the subject of Fraudulent Alteration provided the Company or Employee has complied fully with the provisions, conditions and other terms under which the card was issued and provided the Company is legally liable for Crime Loss.

**Counterfeiting** means the imitation of an authentic negotiable instrument such that the Company is deceived on the basis of the quality of the imitation to believe that the said item is the authentic original negotiable instrument.

Counterfeiting does not include fictitious instruments which merely contain fraudulent misrepresentations of fact and that are otherwise genuinely signed or endorsed.

**Covered Loss** means any awards of damages, judgments and sums payable pursuant to settlements for which You or the Company (as applicable) are legally liable. Covered Loss includes:

- (a) awards of claimant's costs;
- (b) Defence Costs;
- (c) Legal Representation Expenses;
- (d) punitive or exemplary damages where and to the extent that they are legally insurable.

Covered Loss does not include:

- (a) fines or penalties (except to the extent covered under Insuring Clauses 4 and 17) ;
- (b) taxes;
- (c) any multiplied portion of any punitive or exemplary damages award;
- (d) any increase in consideration or price paid for securities in a Merger or Acquisition;
- (e) any sum uninsurable under the law that governs the Policy;

- (f) any amount which constitutes any costs incurred by the Company to modify any building, premises, fixtures, fittings, plant, equipment, or changes to the Company's principal business as described in the Proposal and/or annual report;
- (g) wages, salaries or other remuneration or internal costs or overhead of any Insured.

**Crime Loss** means loss of the type covered under Insuring Clause 28.

**Crisis Management Costs** means reasonable and necessary costs incurred with Our prior written consent as a result of the retention of a Public Relations Firm arising out of a Reputation Concern.

**Cyber Privacy and Confidentiality Costs** means reasonable and necessary costs incurred by You and/or the Company (as applicable) with Our prior written consent resulting from a claim covered under Insuring Clauses 1 to 3 for You (as applicable), and under Insuring Clauses 14 to 16 for the Company (as applicable), as a direct result of:

- (a) any invasion, infringement or interference with any right to privacy, including any disclosure of Data which amounts to a breach of the relevant legislation;
- (b) any unauthorised disclosure or use of any Confidential Information in Data form which is subject to statutory restriction on disclosure or use.

**Data** means machine-readable information in digital format (excluding software), irrespective of the way it is used or rendered, including but not limited to text, voice recordings and images.

**Defence Costs** means all reasonable and necessary legal fees, costs and expenses incurred solely in the defence or investigation of any claim covered under Insuring Clauses 1 to 4 for You (as applicable) and under Insuring Clauses 14 to 17 and 23 for the Company (as applicable), with Our prior written consent and which are incurred in accordance with the Litigation Management Guidelines. Defence Costs excludes wages, salaries or other remuneration or internal costs or overhead of any Insured.

**Defence Costs Repayment Obligation** means the obligation to repay to Us any Emergency Defence Costs or Defence Costs or Legal Representation Expenses paid by Us to the relevant person under the Policy, severally according to the person's respective interest, if and to the extent it is determined by Us that such amounts are not covered under the Policy.

For the avoidance of doubt, where such amounts are provided in advance to defend criminal allegations against You or the Company (as applicable) and You and/or the Company are found guilty of criminal conduct on final adjudication We are entitled to re-payment of all such amounts advanced from You and/or the Company (as applicable).

**Deprivation of Assets Expenses** means the expenses payable to the provider of and for the following services in the event of an interim or interlocutory order for confiscation, controlling, suspending or freezing rights of ownership or real property or personal assets of Yours or creating a charge over real property or personal assets of Yours during the Period of Insurance:

- (a) schooling;
- (b) housing;
- (c) utilities;
- (d) personal insurances.

**Director or Officer** means:

- (a) any past or present director, or officer or member of the board of directors of the Company;
- (b) any past or present Employee who:
  - (i) has or had a managerial or supervisory function;
  - (ii) is named in respect of any Claim together with a Director or Officer of the Company as set out in (a) above;
- (c) a lawful spouse or domestic partner of anyone in (a) or (b) above, only for the purposes of any Claim seeking damages recoverable from marital community property, property jointly held by any such natural person and the spouse or partner, or property transferred from any such person to the spouse or partner and only to the extent that such spouse or partner is party to any Claim solely in the capacity as spouse or partner of any such natural person;
- (d) the legal representatives, heirs, assigns or estate of a natural person in (a) or (b) above who is incapable of managing their own affairs by reason of incapacity or is deceased or bankrupt.

**Discovered** means knowledge of any act, omission or event which could reasonably be seen to give rise to the claimed loss by any of the Company's Responsible Persons.

**Discovery Period** means the extended time during which a Claim may first be made and/or notified after the expiry of the Period of Insurance. This does not otherwise affect the terms of the Policy and any act, error or omission or matter giving rise to the Claim must still occur prior to the expiry of the Period of Insurance.

**Disruption Expenses** means expenses at the rate of AU\$500 per day per Director or Officer or Employee of the Company where it is necessary for that person to attend a court or arbitration or other formal regulatory professional or administrative proceedings, Investigation or inquiry as a witness for the defence of a claim covered under Insuring Clauses 14 to 17, for a period in excess of 5 consecutive business days.

**Electronic and Computer Crime** means any one of the following:

- (a) Computer Fraud;
- (b) Funds Transfer Fraud.

**Emergency Defence Costs** means all reasonable and necessary legal fees, costs and expenses incurred solely in the defence or investigation of any claim covered under Insuring Clauses 1 to 4 for You (as applicable), and under Insuring Clauses 14 to 17 for the Company (as applicable), and incurred within 14 days of You or the Company (as applicable) receiving notice of the Claim.

**Employee** means:

- (a) any natural person who is a full-time, part-time, seasonal or temporary worker of the Company and who works under a contract of service with the Company, or who is undertaking work experience, whom such Company has the right to govern and direct in the performance of such services, and whom the Company compensates by way of salary, wages and/or commissions;
- (b) any natural person, independent contractor or any natural person, including volunteers seconded to the Company, if such individual is under the direction and supervision of the Company and the Company provides indemnification to such individual in the same manner as is provided to the Employees referred to in (a) above.

**Employee Benefits** means fringe benefits, unemployment benefits or compensation, redundancy, health insurance benefits or permanent disability benefits, workers compensation, amounts due or payments made in connection with any employee benefit, Plan or pension or superannuation scheme, share or stock options or any other right to purchase, acquire or sell shares or stock, incentives or deferred compensation and any other obligation or payment other than basic remuneration made to or for the benefit of an Employee.

**Employment Related Claim** means any:

- (a) written claim or demand for monetary compensation or other non-pecuniary relief;
- (b) civil or arbitration proceedings including by way of a counter claim;
- (c) criminal or extradition proceedings;
- (d) formal regulatory professional or administrative proceedings, Investigation or inquiry, alleging an Employment Related Wrongful Act but not including any Claim for Employee Benefits.

**Employment Related Wrongful Act** means any actual or alleged act, error or omission committed or allegedly committed after the Retroactive Date which relates to the employment of a natural person by the Company, including but not limited to wrongful or unfair termination of employment, wrongful failure to employ or promote or provide a career opportunity, discrimination, harassment, wrongful discipline, failure to provide an accurate reference and employment related misrepresentation.

**Forgery or Forged** means the signing or endorsing of the name of a genuine person or a copy of the said person's signature without authority and with the intent to deceive. A signature may be hand-written or mechanically or electronically produced or reproduced. It does not include the signing in whole or in part of one's own name, with or without authority, in any capacity, for any purpose.

**Fraudulent Act** means any one of the following:

- (a) Cheque Forgery;
- (b) Corporate Card Fraud;
- (c) Imitation Fraud.

**Fraudulent Alteration** means a material alteration to an instrument for a fraudulent purpose, unless altered by the person who was authorised to prepare or sign the instrument.



**Funds Transfer Fraud** means the theft of the Company's funds from an account maintained by the Company at a financial institution (from which the Company or a person or organisation authorised by the Company may request the transfer, payment or delivery of funds), following fraudulent electronic, telegraphic, tested facsimile, tested telex, telephone or written instructions to debit such account and to transfer, pay or deliver funds from such account and which instructions purport to have come from the Company or a person or organisation authorised by the Company to issue such instructions, but which are fraudulently transmitted, issued, or are Forged or have been the subject of Fraudulent Alteration by any Relevant Individual.

**Imitation Fraud** means either:

- (a) the Forgery or Fraudulent Alteration of any Money or Negotiable Instruments or instruction; or
  - (b) the Counterfeiting of any Money or Negotiable Instruments,
- upon which the Company has acted or relied.

**Independent Lawyer** means an independent lawyer to be agreed between and appointed by You and Us. If it is not possible for You and Us to reach an agreement as to which independent lawyer is to be appointed, the independent lawyer is to be appointed by the President of The Institute of Arbitrators & Mediators Australia. You and We shall be jointly liable to pay the fees of the Independent Lawyer.

**Insured** means You, the Company or a Plan.

**Investigation** means any formal or official external investigation, examination or inquiry into the Company at which the attendance of the Company or its representatives is first required or requested in writing by the investigating body, during the Period of Insurance.

Investigation does not include any routine regulatory supervision, inspection or compliance reviews, or any investigation which focuses on an industry rather than the Company or You.

**Keyman Costs** means all reasonable and necessary legal and public relations fees, costs and expenses up to the applicable Additional Limit of Indemnity incurred by the Company with Our prior written consent as a result of the accidental death or Serious Illness of a Director or Officer during the Period of Insurance.

**Legal Representation Expenses** means all reasonable and necessary legal fees, costs and expenses incurred with Our prior written consent solely in Your representation at a formal, regulatory or professional Investigation or inquiry into the affairs of the Company that is instituted during the Period of Insurance by the service of a written request on You and/or the Company for You to attend a meeting, hearing or interview because of Your role within the Company. It excludes wages, salaries or other remuneration or internal costs or overhead of any Insured.

**Limit of Indemnity** means the maximum amount We will pay up to for any one Claim or Loss and in the aggregate for all Claims or Loss under specified Insuring Clauses. The Limit of Indemnity:

- (a) includes and is subject to any applicable Sub Limits of Indemnity specified in the Schedule;
- (b) is subject to the Maximum Limit of Indemnity;
- (c) is in excess of any applicable Retention (except where expressly specified otherwise).

In the event of Claim or Loss being covered under multiple Insuring Clauses, We will never pay more than the lowest Limit of Indemnity (or applicable Sub Limit of Indemnity or Additional Limit of Indemnity) that applies to the relevant Claim or Loss to the extent such limit has not been exhausted.

**Litigation Management Guidelines** means the guidelines attached at Appendix 2 to the Policy, as revised from time to time by Us. It is agreed that these form the basis of what constitutes reasonable and necessary legal fees, costs and expenses incurred solely in the defence or investigation of any Claim.

**Loss** means any loss, damage, liability, costs or expenses that may be covered by the Policy.

**Management Liability Claim** means any:

- (a) written claim or demand for monetary compensation or other non-pecuniary relief;
- (b) civil or arbitration proceedings including by way of a counter claim;
- (c) criminal or extradition proceedings;
- (d) formal regulatory professional or administrative proceedings, Investigation, inquiry or claim, for a Wrongful Act.

**Maximum Limit of Indemnity** means the total amount We will pay up to under the Policy in the aggregate under all Insuring Clauses and includes any amounts paid under any Limit of Indemnity, Sub Limit of Indemnity and Additional Limit of Indemnity. It is specified in the Schedule.

**Merger or Acquisition** means a merger or consolidation of the Company with another company or entity or if any company or entity acquires 50% or more of the Company's share capital.

**Money** means currency, coins, bank notes and bullion, cheques, travellers' cheques, registered cheques, postal orders and money orders.

**Negotiable Instruments** means all securities, instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include Money.

**Outside Entity** means an organisation in which the Company is a shareholder and which is listed in the Schedule.

**Period of Insurance** means the period so stated in the Schedule. Each Period of Insurance is separate from any prior or following Period of Insurance.

**Plan** means any past, present or future Employee Benefits or welfare benefit plan, or any past or present superannuation plan established, administered or sponsored by the Company for the sole benefit of its Employees.

Plan also includes:

- (a) any superannuation, Employee Benefits or welfare benefit plan merged, transferred or terminated prior to or during the Period of Insurance;
- (b) any superannuation, Employee Benefits or welfare payment plan created by the Company during the Period of Insurance.

**Policy** means the contract between Us and the Insured made up of this Policy Wording, the Certificate of Insurance and Schedule, the Proposal and any agreed endorsements. These are all important documents and should be carefully read together and kept in a safe place for future reference.

**Policyholder** means the entity listed in the Schedule as Policyholder.

**Pollution Event** means the actual, alleged, or threatened discharge, dispersal, release or escape of and/or any direction or formal request to test for, monitor, clean up or detoxify any contaminant, irritant or other substance including but not limited to oil, smoke, asbestos, fumes, nuclear or radioactive materials, chemicals and waste.

**Pre-Investigation Costs** means the reasonable and necessary fees, costs and expenses incurred by You, with Our prior written consent, directly with respect to:

- (a) any Pre-Investigation;
- (b) preparing any written notice or reports to any official body in connection with any Pre-Investigation.

They exclude wages, salaries or other remuneration or internal costs or overhead of any Insured.

**Pre-Investigation** means:

- (a) a raid or on-site visit to the Company or You by a regulator established under Statute, first occurring during the Period of Insurance that involves the production, review, copying or confiscation of records or interviews of You;
- (b) any formal notification by the Company or You to any regulator established under Statute, first given during the Period of Insurance, where the Company or You reasonably considers that a material breach of the Company's or Your legal or regulatory duty has occurred or may occur;
- (c) an internal inquiry conducted by the Company if and to the extent such an inquiry is requested by such regulator or official body, following a formal notification given in (b) above.

**Prior or Pending Litigation Date** means the date so stated in the Schedule.

**Property** means physical property, excluding any:

- (a) building and its fixtures and fittings;
- (b) Money and Negotiable Instruments.

**Proposal** means the written proposal form (including any addenda) together with all other documents and statements provided by the Company or its representatives in the process of applying for the Policy or any previous policy issued by Us of which the Policy is a replacement or renewal.

**Public Relations Firm** means a professional firm, company or consultancy approved by Us in writing which advises on public relations matters.

**Relevant Individual** means any natural person other than:

- (a) a Director or Officer or other manager of the Company;
- (b) any person who owns or controls any of the Company's issued share capital;
- (c) someone who is acting in collusion with any Employee or Director or Officer or other manager of the Company;
- (d) any natural person providing services under any contract for services, written or implied, with any Insured.

**Responsible Person** means any Employee acting in a directorial, managerial or supervisory capacity other than any person who has committed any acts of fraud or dishonesty.

**Reputation Concern** means a reasonable perception of a need to protect the reputation of the Company and/or the Company's goodwill.

**Retention** means that amount of any claim that would be covered under each of the Insuring Clauses (or otherwise) as specified in the Policy and/or the Schedule which the Company or You are required to bear or pay before being entitled to make any request for indemnity under the Policy. The Retention shall apply only once to any Claim or Loss or any series of Claims arising out of, based upon or attributable to a single act, error or omission, other matter or circumstance, or that are attributable to continuous or repeated events or circumstances, or a series of interrelated or connected acts, errors or omissions. We have no obligation to pay any amount within the Retention.

**Retroactive Date** means the date so stated in the Schedule.

**Schedule** means the Schedule on the Certificate of Insurance.

**Securities** means any security representing a debt or equity interest in the Company including shares, debentures, loan stock, bonds and notes of the Company, and options or rights to acquire the foregoing, whether secured or unsecured.

**Securities Claim** means any legal proceeding alleging a violation of any country's laws regulating securities arising from:

- (a) the sale or purchase of Securities;
- (b) a shareholder's interest in Securities.

Securities Claim does not mean any claim arising from or attributing to the loss of or failure to receive the benefit of any Securities.

**Serious Illness** means an illness or disease which permanently deprives a Director or Officer of the ability to materially perform his or her role (excluding death).

**Statute** means any Act, regulation or other legislative instrument enacted by the parliament of the Commonwealth of Australia, or any Australian State or Territory or the New Zealand Parliament.

**Statute Liability Loss** means any Statutory Penalty and any Defence Costs arising from a Statutory Liability Claim.

Statute Liability Loss does not include:

- (a) any amounts representing damages or compensation;
- (b) any compliance, remedial, reparation or restitution costs;
- (c) any matter deemed uninsurable or We are prohibited from insuring under law.

**Statutory Liability Claim** means:

- (a) any written notice comprising of a written demand for compensation or damages or an assertion of a legal right;
- (b) any civil, statutory or arbitral proceeding;
- (c) any criminal prosecution;
- (d) any formal or regulatory proceeding;
- (e) any Investigation,

for a Wrongful Act which results in You and/or the Company (as applicable) being liable to pay a Statutory Penalty.

**Statutory Penalty** means any civil fine or pecuniary penalty (including but not limited to fines resulting from conviction of a strict liability offence) which You or the Company are legally obliged to pay pursuant to any Statute.

**Subsidiary** means any corporate entity which the Company:

- (a) directly or indirectly controls a majority of the voting rights, controls the right to appoint or remove a majority of its directors or holds more than half of the issued share capital;
- (b) directly or indirectly exercises effective management control including any joint venture.

Subsidiary does not include any entity which has all or part of its Securities listed on any stock exchange. No cover is provided for a Subsidiary or Director or Officer of a Subsidiary in relation to any acts, errors or omissions committed or occurring whilst the entity was not a Subsidiary.

**Sub Limit of Indemnity** means a sub limit of indemnity which is set out in the Schedule and which is applicable to any one Claim or Loss under a specified Insuring Clause. Any Sub Limit of Indemnity is included in and does not apply in addition to the Limit of Indemnity. Any Sub Limit of Indemnity is subject to the Limit of Indemnity and Maximum Limit of Indemnity.

**Tax Investigation Expenses Incurred by You** means all reasonable and necessary legal and accountancy fees, costs and expenses incurred by You with Our prior written consent solely as a result of a formal or informal investigation by any fiscal authority into Your personal tax affairs which is first commenced or intimated during the Period of Insurance.

**Tax Investigation Expenses Incurred by the Company** means all reasonable and necessary legal and accountancy fees, costs and expenses incurred by the Company with Our prior written consent as a result of a formal or informal investigation by any fiscal authority into the Company's tax affairs which is first commenced or intimated during the Period of Insurance.

**Theft** means the unlawful taking of the Company's Money, Negotiable Instruments or Property occurring:

- (a) within the premises;
- (b) within the interior of any banking premises or similar recognised place of safe deposit;
- (c) while in transit and in the care, custody and control of an Employee, or Director or Officer, or partner of the Company following the actual or threatened use of force or violence;
- (d) while in the care, custody and control of any security company or armoured motor vehicle company duly authorised by the Company to retain such care, custody and control and provided We shall only be liable for the amount that is in excess of the amount of any other valid and collectible insurance or indemnity, contractual or otherwise, available to the security company or armoured motor vehicle company.

**Trustee** means:

- (a) any natural person who is now, or will be an employment superannuation trustee, committee member or administrator of the Plan or constructive trustee of the Plan;
- (b) a Director or Officer or Employee of the Company, the Plan or corporate superannuation trustee company established to act as a superannuation trustee or administrator of the Plan, but excluding any external auditor or insolvency office holder.

**We, Us or Our** means the underwriters of Arch Syndicate 2012 at Lloyd's, whose definitive numbers and proportions underwritten, will be supplied on application.

**Wrongful Act** means any actual or alleged act, error or omission committed or allegedly committed by (as applicable) You or the Company, after the Retroactive Date including:

- (a) breach of duty, including statutory or fiduciary duty;
- (b) breach of trust;
- (c) breach of warranty of authority;
- (d) negligence;
- (e) misrepresentation or misstatement or misleading statement;
- (f) defamatory statement, libel or slander.

**You/Your** means any natural person who is at any stage during the Period of Insurance a Director or Officer. You/Your does not mean the external auditors of the Company, any liquidator, receiver, administrator or other insolvency office holder of the Company, or any pension or superannuation trustee.

## Section C: What is excluded from cover?

### 1. Agent Acts

We will not pay for Loss arising directly or indirectly from or in connection with any act, error or omission of any independent contractor (other than an Employee), broker, merchant, external solicitor or external accountant, or other similar agent or representative. This exclusion shall not apply to any organisation to which the Company has outsourced any normal administrative function under a written contract of engagement with such organisation.

### 2. Benefits

We will not pay for Loss that is or arises directly or indirectly from any salaries, commissions, fees and bonuses, promotions, awards, profit sharing, superannuation or other Employee Benefits paid by the Company where earned in the normal course of employment.

### 3. Dishonesty/Personal Profit

We will not pay for any Loss arising directly or indirectly from, or in connection with an act error or omission or other matter which:

(a) is found by any court, criminal, quasi-criminal or regulatory, governmental or regulatory tribunal to have amounted to a deliberate breach of the law by You or the Company, or to have been dishonest or fraudulent;

(b) is the subject of a prohibition under section 199B(1) of the Corporations Act 2001 (Cth).

Provided this exclusion shall only apply if it is established by a court's judgment or any other final adjudication (including any appeal thereof).

In the case of Defence Costs or Emergency Defence Costs excluded by this clause, You/the Company (as applicable) agree to repay any sums which have been paid by Us to You/the Company (as applicable) or by Us on Your behalf on demand once any such finding or any admission is made.

We will not pay for any Loss comprising the reimbursement of remuneration or other benefits which You/the Company were able to receive by reason of the relevant act error or omission or other matter but were not entitled to receive.

For the purposes of determining the application of this exclusion, no conduct, fact pertaining to, or knowledge possessed by You shall be imputed to anyone else insured under the Policy and vice versa.

### 4. Prior Claims and Circumstances

We will not pay for any Loss arising directly or indirectly from, or in connection with, any fact, circumstance, claim or any act, error or omission or matter substantially the same as that in respect of:

(a) which notice has been given under any other certificate or policy or insurance existing or expired before or on the inception date of the Policy;

(b) which You or the Company knew or ought reasonably to have known about before We agreed to insure You or the Company;

(c) any civil administrative, criminal or regulatory proceeding, investigation, arbitration or adjudication that existed prior to or was pending before the Prior or Pending Litigation Date.

For the purposes of determining the application of this exclusion, no conduct, fact pertaining to, or knowledge possessed by You shall be imputed to anyone else insured under the Policy and vice versa.

### 5. Retroactive Date

We will not pay for Loss arising directly or indirectly from, or in connection with, any act, error or omission or other matter committed or alleged to have been committed prior to the Retroactive Date shown in the Schedule.

This exclusion extends to and includes any claim or Loss relating to or in any way connected with the original subject matter or conduct giving rise to such claim or Loss including any repetition or continuation of any such act, error or omission or such other matter, occurring after the Retroactive Date.

### 6. Claims brought in North America

We will not pay for any Loss arising directly or indirectly from, or in connection with, any claim that is brought or maintained in full or in part within the jurisdiction of or is based upon the laws of the United States of America, Canada or their territories, dependencies or protectorates or North America.

### 7. Professional Services

We will not pay for any Loss arising directly or indirectly from, or in connection with, any claim made against You or the Company for providing or failing to provide professional services or advice to a customer or client of the Company or You.

### 8. Trustees

We will not pay for any Loss arising directly or indirectly from, or in connection with, any claim against You or the Company acting as a fiduciary, trustee or administrator of any Plan, pension, superannuation, annuity, profit sharing, health, welfare or other Employee Benefit programme established by the Company or Your breach of any legislation or regulation relating to these activities other than as specified under Insuring Clause 3 (Claims made against You in respect of Employment Superannuation Scheme) and Insuring Clause 16 (Claims made against the Company in respect of Employment Superannuation Scheme).

#### **9. Pollution Claims**

We will not pay for any Loss arising directly or indirectly from or attributable to any claim in connection with a Pollution Event, except to the extent covered under Insuring Clause 26 (Pollution Defence Costs).

#### **10. Share Offerings**

We will not pay for any Loss arising directly or indirectly from, or in connection with, any proposed or actual public offering or private placement of Securities unless We have given Our prior written consent and the Company has paid any additional premium required by Us and accepted any amendments to the terms and conditions of the Policy.

#### **11. Claims by Liquidators or other Insolvency Office Holders**

If a claim is brought against You directly or indirectly by a liquidator, receiver, administrative receiver or other similar office holder appointed because of or in relation to the insolvency of the Company, We will pay Defence Costs only in respect of that claim. We will not pay for or contribute towards any other Loss, damage, judgment or settlement arising from, or in connection with that claim.

#### **12. Takeovers and Mergers**

We will not pay for any Loss arising directly or indirectly from, or in connection with, any act error or omission or other matter, committed by You after the Company undergoes a Merger or Acquisition. Subject to the other terms and conditions and exclusions of the Policy, We will cover Loss arising from any act error or omission or other matter, committed before such Merger or Acquisition.

#### **13. War and Terrorist Acts**

We will not pay for any Loss arising directly or indirectly from, or in connection with, war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power. We will not pay for any Loss arising from or attributable in any way to any terrorist act.

#### **14. Company's Overheads**

We will not pay for any Loss arising directly or indirectly from, or in connection with, the Company's overheads, any wages, salaries, fees or expenses incurred in relation to any claim or Loss except insofar as it is covered by Insuring Clause 20 (Disruption Expenses for Hearings and Inquiries).

#### **15. Loss Sustained After Knowledge**

We will not pay for any Loss under Insuring Clause 28 (Crime) sustained after any Responsible Person of the Company first becomes aware that:

- (a) any Theft or Fraudulent Act has been committed by a Relevant Individual or any person who owns or controls more than 10% of the Company's issued share capital;
- (b) an Employee has committed a dishonest or Fraudulent Act during the term of his or her employment with the Company;
- (c) an Employee has previously committed a dishonest or Fraudulent Act prior to employment with the Company where the act or acts involved Money, Negotiable Instruments or other property valued at \$50,000 or more.

#### **16. Claims between You and the Company**

We will not pay for any loss arising directly or indirectly from, or in connection with, any claim between You and the Company except:

- (a) a derivative action by or on behalf of the Company brought by its shareholder(s) or any regulatory authority provided it is maintained without the direct or indirect solicitation, enticement, assistance, participation or intervention of the Company or You;
- (b) a Claim brought by a former Director or Officer in relation to an Employment Related Wrongful Act.

#### **17. Fire**

We will not pay for any Loss caused directly or indirectly by fire, other than loss of Money, Negotiable Instruments, safes or vaults to the extent covered under Insuring Clause 28 (d) (Crime: Destruction and Damage of Money or Negotiable Instruments) if specified as applicable in the Schedule.

**18. Forcible and Violent Theft**

We will not pay for any loss occurring following theft as a result of forcible or violent entry to any premises occupied by the Company by any Relevant Individual, where such Relevant Individual is acting alone and not in collusion with any Employee; other than to the extent covered under Insuring Clause 28 (d) (Crime: Destruction and Damage of Money or Negotiable Instruments) if specified as applicable in the Schedule.

**19. Intellectual Property/Confidential Information**

We will not pay for any loss arising directly or indirectly from, or in connection with, any actual or alleged breach of any intellectual property rights, trade secrets, proprietary information, Confidential Information or confidential processing methods.

**20. Inside Information**

We will not pay for Loss arising directly or indirectly from, or in connection with, any profits made from the purchase or sale of Securities by You where You have, or it is alleged You have, improperly benefited as a result of information that is not available to other sellers or purchasers of such Securities.

**21. Bodily Injury and Property Damage**

We will not pay for Loss arising directly or indirectly from, or in connection with:

- (a) any actual or alleged bodily injury, disease, sickness, emotional distress, or any other mental, psychiatric, emotional or physical injury (except to the extent it forms part of a covered Employment Related Claim), or death of any person (except to the extent that it is covered by Insuring Clause 18 (Keyman Costs), Insuring Clause 12 (Occupational Health & Safety Defence Costs) and Insuring Clauses 4 and 17 (Statutory Liability));
- (b) damage to or defect, impairment or the destruction of or loss of use of any tangible property;
- (c) any consequential or indirect losses (including losses attributable to claims for apportionment, contribution or indemnity, howsoever formulated);
- (d) any actual or alleged liability under any express contract or agreement, unless liability would have arisen irrespective of the contract or to the extent cover is provided for Defence Costs under Insuring Clause 23 (Breach of Contract Defence Costs).

**22. Profit, Loss or Inventory Computation**

We will not pay for any Loss which can only be proved by:

- (a) a profit and loss computation or comparison;
- (b) a comparison of inventory records with an actual physical count.

**23. Publication of False Material**

We will not pay for any Loss arising directly or indirectly from, or in connection with, the publication of any material known by You or the Company to be false.

**24. Lockouts and Other Industrial Action**

We will not pay for any Loss arising directly or indirectly from, or in connection with, any act, error or omission or other matter committed during any lockout, strike, picket line, stand-down, or other industrial action.

**25. Tax Obligations**

We will not pay for any Loss arising directly or indirectly from, or in connection with, any direct or indirect tax obligations of any kind.

**26. Traffic Exclusion**

We will not pay for any Loss arising directly or indirectly from, or in connection with, any violation of the responsibilities, obligations or duties imposed by any law or regulation relating to vehicular, air or marine traffic.

**27. Voluntary Exchange or Purchase**

We will not pay any Loss arising directly or indirectly out of the voluntary giving or surrendering (whether or not such giving and surrendering is induced by deception) of Money, Negotiable Instruments or other property in any exchange or purchase, unless the Company has taken reasonable steps to prevent such Loss and it is otherwise covered by the Policy.

**28. Premises Damage**

We will not pay for any Loss arising directly or indirectly from damage or destruction to any premises or building.

## 29. Statutory Loss and anti-competitive practices

We will not pay for Loss arising directly or indirectly from, or in connection with:

- (a) any Statutory Liability Claim relating to workers compensation;
- (b) sections 182, 183, 601FD and 601JD of the Corporations Act 2001 (Cth);
- (c) any claim made for any actual or alleged violation of any law (whether statutory, common law or regulatory), with respect to the following activities: business competition, antitrust, unfair trade practices or tortious interference in the business of another or contractual relationships;
- (d) any other law similar to (a) to (c) above in any jurisdiction outside the Commonwealth of Australia, any Australian State or Territory, or New Zealand.

## 30. Sanction Limitation

We will not pay for any Loss or claim made under the Policy which would expose any of Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

## 31. Securities Claims

We will not pay any Securities Claims except to the extent that cover is provided under Insuring Clause 27 (Securities Claims) and this cover is specified as applicable in the Schedule.

## Section D: Other terms that apply to this Policy

### 1. Your Obligations

The following claims and notice provisions are conditions of the Policy which must be strictly complied with. Please remember that if the Company/You (as applicable) do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim or other payment and/or cancel the Policy.

### 2. Our Obligations

Each subscribing underwriter's obligations under the Policy to which they subscribe is several and not joint and is limited solely to the extent of their individual subscription. No subscribing underwriter is responsible for the subscription of any co-subscribing underwriter who for any reason does not satisfy all or part of their obligations.

### 3. Notification: What? When? Where? Who? How?

You and/or the Company must notify Us in writing of any Claim, Loss or circumstances which may reasonably be expected to give rise to such a Claim or Loss as soon as reasonably practicable within the Period of Insurance or the applicable Discovery Period.

You and/or the Company must give the notice to Us in writing and must provide full particulars including relevant dates, events, circumstances and persons or entities involved, including the amount of the alleged or potential Loss.

You and/or the Company and/or your insurance broker or intermediary must send the notice to the following address and all notifications to Us will be deemed given if so notified in writing to:-

Arch Underwriting at Lloyd's (Australia) Pty Ltd  
Level 10, 61 York Street  
Sydney NSW 2000

Such notice shall be effective on the date of actual receipt at the above address.

### 4. Continuous coverage

- (a) In the absence of any fraudulent non-disclosure or misrepresentation and subject to clauses (b) and (c) below, where:
  - (i) a Claim is first made against You and/or the Company, or a circumstance is notified by You and/or the Company in writing to Us, during the Period of Insurance, in respect of a liability under the Policy and it arises from a circumstance known by You and/or the Company prior to the commencement of the Period of Insurance; and
  - (ii) We were the insurer from the time when You and/or the Company first became aware of that circumstance which subsequently gave rise to the Claim or notification; and
  - (iii) We have from that time, to the time when the Claim is made or the notification is given, continued without interruption to be the insurer;

then, in respect of such Claim or notification, notwithstanding anything to the contrary contained in this Policy, We agree to indemnify You in respect of that Claim or notification in accordance with all other provisions of this Policy;



- (b) We reserve the right to reduce Our liability in respect of any Claim or notification under this coverage to the extent that Our interests are prejudiced as a result of the late notification of the Claim or circumstance;
- (c) where clauses (a) and (b) apply, We will not deny indemnity for the Claim or notification as a consequence of a non-fraudulent non-disclosure or misrepresentation on Your and/or the Company's part with respect to the Claim or circumstance;
- (d) for the purpose of clauses (a) (ii) and (iii) above, references to "We" includes Resource Underwriting Pacific Pty Ltd (acting on behalf of certain Underwriters at Lloyd's).

## 5. Your and the Company's co-operation with Us

Both You and the Company must co-operate fully with Us in relation to the investigation, defence and settlement of any Claim, and/or any claim for indemnification under this Policy, and must provide Us with any information or documentation that We may reasonably request. You and the Company must do this at Your/the Company's own cost, unless, in the case of the Company, the Company is insolvent, in which case We will pay the Company for the Company's reasonable costs of complying with this obligation.

In any case where We believe that reasonable co-operation is not being given under this clause, We can refer this issue for mediation under Section F Clause 4 (How will any disputes between us be resolved?) of this Policy. It is agreed between You and Us that any mediator appointed for such a mediation shall have power to make a binding decision requiring You and/or the Company as appropriate to provide the co-operation, information and/or documentation reasonably requested.

## 6. No admission of liability

Except in respect of Emergency Defence Costs, You shall not incur Defence Costs or Legal Representation Expenses or admit liability for, waive any right to recovery or agree to settle any Claim or part of any Claim, without Our prior written consent (such consent not to be unreasonably withheld).

## 7. Mitigation of Loss

You and/or the Company shall use all diligence and shall ensure that all reasonable steps are taken to avoid or diminish any liability which may give rise to Loss or to a Claim.

## 8. Prior Consent

The absence of Our prior written consent to any costs incurred by You will not affect Your, or the Company's entitlement to indemnity under the Policy if:

- (a) the costs are Emergency Defence Costs;
- (b) in the case of Keyman Costs or Crisis Management Costs, the Company is prevented from seeking Our prior written consent by relevant applicable laws or by a pressing and urgent necessity.

Where prior written consent is sought by You or the Company under the Policy, We will only withhold giving our consent where it is reasonable for Us to do so.

## 9. Interpretation of this Contract

- (a) The titles of sections, paragraphs, clauses or endorsements to the Policy are solely for convenience and reference and do not limit or expand the provisions to which they relate.
- (b) Unless the contrary intention appears in the Policy:
  - (i) words importing a gender include any other gender;
  - (ii) words in the singular include the plural and words in the plural include the singular;
  - (iii) references to statutes include amendments thereof, regulations thereunder, and re-enactments or consolidations thereof.
- (c) In the event that any part of the Policy is found to be invalid, void or unenforceable, the remainder shall remain in full force and effect.

## 10. Can the Policy be assigned or cancelled?

The Policy cannot be assigned unless We give Our consent in writing.

The Insured can cancel the Policy by giving 30 days' notice in writing to Us. If no claim has been made under it nor any Claim or Loss reported to Us, We will give the Policyholder a pro-rata rebate of premium if the Policy is cancelled plus any reasonable administrative costs and any government taxes or duties We can recover. If any Claim or Loss is reported under the Policy to Us on or before the date of cancellation, the premium shall be deemed to be fully earned and no refund is payable.

We can cancel the Policy in accordance with Section 60 of the Insurance Contracts Act 1984 by giving written notice to the Insured.

Any runoff Policy cannot be cancelled and the premium for it is not refundable (save that We may cancel it due to non-payment of premium by giving written notice to the Insured in accordance with the Insurance Contracts Act 1984).

### **11. Innocent Non-disclosure and Non imputation**

No statements made in, or associated with the Proposal, nor any information possessed by any Director and/or Officer shall be imputed to any other Director or Officer. No other fact or knowledge possessed by a Director or Officer shall be imputed to any other Director or Officer.

The Proposal shall be considered to be a separate proposal by each Director or Officer. A material non-disclosure or misstatement by one Director or Officer shall not be imputed to any other Director or Officer provided that Director or Officer is able to establish to Our satisfaction that he or she was not aware of the material non-disclosure or misstatement in question.

The Policy shall be construed to be a separate contract between Us and each Director or Officer and no breach of any term or condition of the Policy or other misconduct by a Director or Officer shall be imputed to any other Director or Officer.

Provided this condition shall not apply where there was a fraudulent misrepresentation or fraudulent non-compliance with the duty of disclosure to Us at the time of entering into the Policy.

### **12. Goods and Services Tax Neutrality**

We and You agree that, to the extent possible as between Us, neither is to be adversely affected or advantaged by the operation of "GST". If any party requires a tax invoice or the assistance of any other party to obtain an input tax credit the other party will provide such invoice or assistance promptly upon being requested to do so.

For the purposes of this condition "GST" means tax payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth) and, unless the context otherwise requires, other expressions used in this section have the meanings given to those expressions in that Act.

### **13. Valuation and Foreign Currency**

All premiums, limits, retentions, Loss and other amounts under the Policy are expressed and payable in Australian currency. Except as otherwise provided, if judgment is rendered, settlement is denominated or another element of Loss under the Policy is stated in a currency other than Australian dollars, payment under the Policy shall be made in Australian dollars at the cash rate of exchange for the purchase of Australian dollars published in the Australian Financial Review on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of Loss is due, respectively.

### **14. Alteration and Assignment**

No change in, modification of, or assignment of interest under the Policy shall be effective except when made by a written endorsement to the Policy which is signed by an authorised signatory on Our behalf.

### **15. Authorisation**

By acceptance of the Policy, the Policyholder agrees to act on Your behalf as well as itself with respect to the giving and receiving of notice of claim or termination, the payment of premiums and the receiving of any return premium becoming due under the Policy, the negotiation, agreement to and acceptance of endorsements, and the giving and receiving of any notice provided in the Policy, and You agree that the Policyholder shall act on Your behalf.

### **16. Use of Specialist Investigators**

In reporting and investigating Crime Loss in accordance with Insuring Clause 28 (Crime), if specified as applicable in the Schedule, the specialist investigator shall also advise as to when and how the Company's controls were or may have been breached and summarise recommendations which may prevent future similar Crime Loss. We have the right to attend the initial meeting between the Company and the specialist investigator.

### **17. Basis of Valuation - Crime**

In respect of Insuring Clause 28 (Crime), if specified as applicable in the Schedule, We will not be liable for more than:

- (a) the actual market value of Negotiable Instruments, Money or precious metals at the close of business on the day the covered loss was first Discovered (determined by the value published in the Australian Financial Review in Australia or equivalent local daily financial newspaper), or the actual cost of replacing the Negotiable Instruments, Money or precious metals, whichever is less;
- (b) the actual cash value of other property (not referred to in (a) above) at the close of business on the day the Loss was first Discovered, or the actual cost of replacing the property with property of a like quality or value, whichever is less;
- (c) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the Company in order to reproduce books of account or other records;
- (d) the cost of labour for the actual transcription or copying of electronic data furnished by the Company in order to reproduce such electronic data.

## **Section E: These clauses explain how the defence and settlement of any claim will be conducted**

### **1. Who will control the claim?**

We have the right, but not the duty, to take control of and to conduct the investigation, settlement and/or defence of any claim against You and/or the Company, on Your and/or the Company's behalf. We will do this in conjunction with You and/or the Company.

### **2. Which lawyers will be appointed?**

You may appoint lawyers to represent You in defending any claim if We give Our prior written consent. If You do not know which lawyers to appoint, We can help You to find a suitable lawyer. Where the same or a similar claim is made against more than one of You or against both the Company and You, the same lawyers will usually be appointed to defend the claim, unless there is a conflict of interest which means that this is not possible.

### **3. How will Defence Costs be advanced?**

We will advance Defence Costs and Legal Representation Expenses. We may wish to monitor the incurring of the Defence Costs or Legal Representation Expenses once they have been incurred prior to the final settlement of the claim to ensure that they are covered by the Policy.

### **4. Will the Claim always be defended?**

We will not require You or the Company to defend any claim without Your or (as appropriate) the Company's agreement, unless We have received a written opinion from an Independent Lawyer which advises that the claim has a reasonable prospect of being successfully defended. The Independent Lawyer, in formulating such opinion, shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the claimant (or litigant) and the likely Defence Costs. The cost of such opinion shall be regarded as part of the Defence Costs.

This clause will also apply if there is a disagreement between You and/or the Company and Us about whether to accept a proposed settlement of a claim or whether the claim should continue to be defended.

### **5. How will Defence Costs be allocated?**

If You or the Company incur loss covered by the Policy with other loss that is not covered by the Policy, or if a claim is made against You and the Company and it is impossible to identify whether loss is attributable exclusively or primarily to a covered cause, or the claim against You, as appropriate, then You, the Company and We shall jointly use our best efforts to agree a fair and proper allocation of the loss between You, Us and/or the Company, having regard:

- (a) in relation to any award of damages or claimant's costs, to the relative legal and financial exposures of the parties to those heads of loss;
- (b) in relation to Defence Costs, to the relative benefits obtained from them by each such party, given the claims to which they have been exposed and their relative legal and financial exposures thereto.

If We cannot reach an agreement on the allocation of loss, You, We and the Company shall jointly instruct an Independent Lawyer to recommend an allocation of loss, applying the criteria set out above, which, in their absolute discretion, reflects a fair and proper apportionment of the relevant Loss between the Company, You and Us. The Independent Lawyer can take whatever accountancy or other expert advice they consider appropriate and necessary to determine the allocation of loss. You, We and the Company agree that the allocation recommended by the Independent Lawyer will be final and will apply to the Loss in the absence of manifest bias or impropriety on the Independent Lawyer's part.

Allocation of loss shall be applied retrospectively to all loss covered under the Policy and any prior allocation or advancement shall not apply to or create any presumption with respect to the final allocation of loss.

### **6. In what order will payments under the Policy be made?**

We have the right to pay covered Loss to You and/or the Company in the order that We believe, in good faith, that it falls properly due for payment under the Policy until such time as the applicable Limit of Indemnity, Sub Limit of Indemnity, Maximum Limit of Indemnity or Additional Limit of Indemnity as set out in the Schedule is fully exhausted.

### **7. Claims that can be made for loss under more than one insuring clause**

In the event of any Loss being covered under multiple insuring clauses, We will never pay more than the lowest Limit of Indemnity (including any Sub Limit of Indemnity) that applies to the relevant Loss to the extent such limit has not been exhausted.

## 8. Preservation of Subrogation rights

If We make any payment under the Policy, We shall be subrogated to all of Your and/or the Company's rights of recovery, contribution or indemnity that existed before such payment was made. We will not exercise any such rights against any Employee unless a Loss has been brought about or contributed to by any dishonest, fraudulent, criminal, reckless or malicious act or omission of that Employee. You and/or the Company agree not to do anything that may prejudice Our rights and You and/or the Company agree to do anything reasonably necessary to preserve Our rights of subrogation and to help Us to exercise them. In the event that You or the Company have sums or losses which are not covered by the Policy, or which fall within a Retention, and a recovery is made from some other party that is not clearly in relation to covered or non-covered loss in particular, We will have the right to be paid in respect of any covered loss first.

## Section F: These clauses are general conditions of this Policy

### 1. What happens if there are a number of related claims?

Any series of Claims arising out of, based upon or attributable to a single act, error or omission or other matter, or that are attributable to continuous or repeated events or circumstances, or a series of interrelated or connected acts, errors or omissions or other matters, shall be considered and shall jointly constitute a single Claim for the purposes of the Policy.

### 2. What happens if there are other relevant insurance contracts or policies?

If You or the Company have other insurance which covers Loss which is also covered by this Policy, then to the extent permitted by the Insurance Contracts Act 1984, You and/or the Company must claim under the other policy first and We are under no obligation to pay to the extent that the other policy applies (or would apply if this Policy did not exist). In such a case, if the Loss that You suffer is greater than the limit of indemnity available under the other policy, this Policy will operate and We will pay in excess of that limit of indemnity up to the applicable Limit of Indemnity, Sub Limit of Indemnity, Maximum Limit of Indemnity or Additional Limit of Indemnity, as appropriate.

### 3. What Law governs the Policy?

The Policy is governed by the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the Policy was issued.

### 4. How will any disputes between us be resolved?

Any dispute between You and Us regarding any aspect of the Policy which cannot be resolved by Us to Your satisfaction within six months of the dispute arising shall be referred for mediation by a Senior Counsel, who shall have been appointed by You and Us (or failing agreement, to be appointed by the current President of The Institute of Arbitrators & Mediators Australia). If the dispute remains unresolved after mediation, We and You may jointly refer it to arbitration in the jurisdiction in which the Policy is issued. You and/or the Company and We will each bear our own costs of any arbitration.

### 5. What do I do if I have a complaint?

If You are dissatisfied with Our service in any way, contact Us by writing to:

The Complaints Manager

Arch Underwriting at Lloyd's (Australia) Pty Ltd

Level 10, 61 York Street

Sydney NSW 2000

or telephoning Us on (02) 8284 8400

or emailing Us at [complaints@archinsurance.co.uk](mailto:complaints@archinsurance.co.uk)

and We will attempt to resolve the matter in accordance with Our internal dispute resolution procedures.

If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You should write to:

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 21, Angel Place

123 Pitt Street,

Sydney NSW 2000

[ldraustralia@lloyds.com](mailto:ldraustralia@lloyds.com)

Telephone Number: (02) 9223 1433

Facsimile Number: (02) 9223 1466

### 6. Rights of other parties

Save as provided under the Insurance Contracts Act 1984, no other party except You or the Company shall be entitled to make a claim or enforce any term of this Policy.

## 7. Confidentiality

You and the Company agree not to disclose the terms, conditions, exclusions or limits of indemnity of the Policy or the amount of premium paid to any third party, except to the extent that You or the Company is required to do so by law or unless We give Our prior written consent to such disclosure.

## 8. Renewal Procedure

Before the Policy expires We will advise You/the Company via their intermediary, or the Policyholder, whether We intend to offer renewal and if so on what terms.

This advice also applies for any offer of renewal We may make, unless We tell you otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy yourselves that the details are correct. In particular, check the Maximum Limit of Indemnity, Limit(s) of Indemnity, Sub Limit(s) of Indemnity and Additional Limits of Indemnity amounts and Retention(s) applicable, and ensure the levels of cover are appropriate.

Please note that You/the Insured need to comply with the duty of disclosure before each renewal.

## 9. Privacy Statement

Unless the context otherwise provides, in this section 'We', 'Our' or 'Us' means Arch Syndicate 2012 at Lloyd's and Arch Underwriting at Lloyd's (Australia) Pty Ltd and their related entities.

Personal information is essentially any information or an opinion about an identified individual, or an individual who is reasonably identifiable. See the Privacy Act 1988 (Cth) (the Act) for full details of what constitutes personal information.

This privacy notice details how We collect, disclose and handle personal information.

### Why We collect your personal information

We collect personal information (including sensitive information) so We can:

- identify You and conduct necessary checks;
- determine what service or products We can provide to You e.g. offer Our insurance products;
- issue, manage and administer services and products provided to You or others, including claims investigation, handling and settlement;
- improve Our services and products, e.g. training and development of Our representatives, product and service research and data analysis and business strategy development.

### What happens if You don't give Us Your personal information?

If You choose not to provide Us with the information We have requested, We may not be able to provide You with Our services or products or properly manage and administer services and products provided to You or others.

### How We collect Your personal information

Collection can take place through websites (from data input directly or through cookies and other web analytic tools), email, by telephone or in writing.

We collect it directly from you unless You have consented to collection from someone other than You, it is unreasonable or impracticable for Us to do so, or the law permits Us to.

If You provide Us with personal information about another person, You must only do so with their consent and agree to make them aware of this privacy notice.

### To whom do We disclose Your personal information?

We share Your personal information with third parties for the collection purposes noted above.

The third parties include: Our related companies and Our representatives who provide services for Us, other insurers and reinsurers, Our claim management partner(s), Your agents, Our legal, accounting and other professional advisers, data warehouses and consultants, investigators, loss assessors and adjusters, other parties We may be able to claim or recover against, and anyone either of us appoint to review and handle complaints or disputes and any other parties where permitted or required by law.

We may need to disclose information to persons located overseas who will most likely be located in the United Kingdom. Who they are may change from time to time. You can contact Us for details or refer to Our Privacy Policy available at Our website [www.archinsurance.com.au](http://www.archinsurance.com.au). In some cases We may not be able to take reasonable steps to ensure they do not breach the Privacy Act and they may not be subject to the same level of protection or obligations that are offered by the Act. By proceeding to acquire Our services and products You agree that You cannot seek redress under the Act or against Us (to the extent permitted by law) and may not be able to seek redress overseas.

**More information, access, correction or complaints**

For more information about Our privacy practices including how We collect, use or disclose information, how to access or seek correction to Your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled, please refer to Our Privacy Policy. It is available at Our website [www.archinsurance.com.au](http://www.archinsurance.com.au) or by contacting Us on (02) 8284 8400 EST 9am-5pm, Monday-Friday.

**Privacy Complaints:** We have established a Privacy Complaints Handling Procedure to deal with any complaints you may have about how we have collected, used or managed your personal information. If you would like to make a complaint, please contact the Privacy Officer, Arch Underwriting at Lloyd's (Australia) Pty Ltd, Level 10, 61 York Street, Sydney NSW 2000 or email [complainants@archinsurance.co.uk](mailto:complainants@archinsurance.co.uk). Your complaint will be taken seriously and investigated thoroughly. If You are not satisfied with Our final decision, You can direct Your complaint to the Federal Privacy Commissioner either on 1300 363 992 (for the cost of a local call anywhere in Australia) or by mail to GPO Box 5218, Sydney NSW 2001.

**Your Choices**

By providing Us with personal information, You and any person for, or about whom, You provide personal information for, consent to this use and these disclosures unless you tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us, or persons with whom We have an association, please contact Us.

**10. General Insurance Code of Practice**

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice (the Code), which is a self-regulatory code for use by all insurers. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's Australia Limited has adopted and endorses the Code. We are conscious of Our obligations under the Code and are committed to complying with the Code's service standards in our dealings with You including the management of any complaint or dispute which might arise.

To obtain more information on the Code, please contact Your insurance intermediary, or Us, or You can access the Code at: [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

**11. Underwriters' Notices and Service of Suit**

The underwriters accepting the insurance under the Policy agree that:

- (a) if a dispute arises under this insurance, this insurance will be subject to Australian law and practice and they will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;

- (b) any summons, notice or process to be served upon the underwriters may be served upon:

Lloyd's Underwriters' General Representative in Australia  
Suite 2, Level 21, Angel Place  
123 Pitt Street,  
Sydney NSW 2000

who has an authority to accept service and appear on the underwriters' behalf and who is directed at Your request to give a written undertaking to You that he will enter an appearance on their behalf;

- (c) if a suit is instituted against any of the underwriters, all underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

To be valid, this Policy Wording must have attached to it the Certificate of Insurance signed by an authorised officer of Arch Underwriting at Lloyd's (Australia) Pty Ltd.

## Appendix 1

### Nominated Practitioners (Pursuant To Insuring Clause 6)

Sydney	Melbourne	Brisbane	Adelaide	Perth
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#### What do I do if I have a complaint about the nominated practitioner(s)?

Arch Underwriting at Lloyd's (Australia) Pty Ltd (AUALA) endeavours to provide an excellent and efficient service to all its customers. AUALA takes all complaints seriously and strives to resolve all complaints promptly and fairly.

If You have a complaint in relation to any of the nominated practitioners, please contact AUALA at Arch Underwriting at Lloyd's (Australia) Pty Ltd, Level 10, 61 York Street, Sydney NSW 2000. Please quote Your Policy number and/or claim reference, as appropriate, in your correspondence.

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## Appendix 2

### Litigation Management Guidelines

**DATED March 2015**

#### **1. What are the Litigation Management Guidelines?**

Subject always to the terms and conditions and exclusions of the Policy, We will provide indemnity for Defence Costs as defined in the Policy. Defence Costs means all reasonable and necessary legal fees, costs and expenses incurred solely in the defence or investigation of any Claim with Our prior written consent and which are incurred in accordance with these Litigation Management Guidelines.

It is possible that not all costs that are incurred in connection with a Claim will fall to be covered by the Policy, for example if the costs are not reasonable or if the costs are not incurred solely in the defence or investigation of the Claim.

It is agreed that these guidelines form part of the Policy and form the basis of what constitutes reasonable and necessary legal fees, costs and expenses.

It is in Your interests that the costs incurred in connection with a Claim comply with these Litigation Management Guidelines so that the costs fall to be indemnified by Us under the Policy. You should therefore provide the lawyer acting in the defence of Your claim with a copy of these Litigation Management Guidelines as soon as possible. We will review all invoices that are submitted to Us for compliance with these Litigation Management Guidelines.

Our aim is to help achieve the best result for You in an efficient and cost-conscious manner, consistent with Your lawyer's professional obligations.

#### **2. What is reasonable and necessary?**

##### **(a) Personnel and rates**

At the outset of a Claim, We require details of the individual lawyer(s) who will be dealing with the defence or investigation of the Claim on Your behalf. We require details of their qualifications and experience and hourly rates. All personnel and hourly rates, including any revisions thereto, are to be approved by Us in advance.

##### **(b) Staffing philosophy**

The case should be staffed economically and effectively and duplication of effort should be avoided. To achieve efficiency and value, work should be delegated where appropriate, however, this should not compromise quality.

Your lawyer should consult with Us where it is anticipated that more than one lawyer's attendance is necessary at trial, court appearances, meetings, depositions, consultations, witness interviews, inspections and other functions.

We will not provide indemnity under the Policy for secretarial work. This includes receipt and distribution of mail, file set-up, copying, printing, posting, faxing, e-mailing, inserting documents into and retrieving documents from the file, stamping documents, tabbing files and assembling materials.

##### **(c) Reporting requirements**

Reports should be provided to both You and Us. (In this section You shall include the Insured, where appropriate).

Upon receipt of a new Claim, the lawyer appointed should send an acknowledgment letter regarding receipt of the file and designating the team assigned to the case. Any matters of immediate concern or information that may result in early resolution of the case should be addressed in the acknowledgment letter.

On a date to be agreed by Us, but no later than 45 days from receipt of the Claim, Your lawyer should provide an initial report including a summary of the allegations, a preliminary evaluation of liability and damages and a proposed litigation plan. Consideration should be given to the potential for early resolution of the case by settlement and recommendations with respect to arbitration, mediation or other negotiations.

Your lawyer should advise Us of all significant developments throughout the life of the Claim as soon as practical. These will include, but not be limited to, reports on the summaries of depositions, pre-trial reports, settlement options, evaluation of Your liability and damages (if this has changed from the initial report).

##### **(d) Costs Estimates**

In conjunction with the litigation plan, We require detailed costs estimates of all the costs and expenses (including disbursements) that are likely to be incurred in the defence or investigation of any Claim. We require regular cost projections up to and including any trial. If anything changes in



the handling of the defence or investigation of any Claim that may affect the costs estimate, We require updated costs estimates.

**(e) Billing**

Bills should be submitted to Us quarterly, unless otherwise agreed between You and Us. Professional fees are to be recorded clearly in separate billing entries for each task, based upon their actual time in increments of one-tenth of an hour. We must be able to determine exactly what professional service was provided in each entry and assess the appropriateness of the charge. Grouping multiple activities under a single time charge (block billing) is not acceptable.

**(f) Retention of Experts**

You should consult with Us prior to instructing any experts including barristers, consultants, investigators, outside paralegals or other professional services.

**(g) Other disbursements**

You should consult with Us prior to incurring any disbursement over the value of \$10,000. Disbursements should be itemised on the lawyer's invoice and should include a specific and detailed description of the expense.

**(h) Costs must be incurred solely in the defence or investigation of the Claim**

We will only provide indemnity for Defence Costs which have been incurred solely in the defence or investigation of the Claim. We will not provide indemnity for any other costs.

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