

QBE Directors & Officers Liability Proposal

QBE Pacific Islands



A. Notice to the proposed insured

Disclosure of relevant facts - your duty of disclosure

Before you enter into a contract of general insurance with us, you have a duty to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Comment

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

Claims made policy

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

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

However, where you give notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, the policy will, subject to the terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover. You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

Average provision

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

Important

- Please answer ALL questions fully. If there is insufficient space please provide details on your letterhead.
- Where provided, tick appropriate box to indicate answer.
- The applicant will be referred to in this proposal as "You" or "Your", this means every person or entity to be insured under this insurance.

Markets

Please use the checklist below to indicate the operation in the QBE Pacific Islands region to which you will be submitting your proposal.

MARKET	BUSINESS NAME	PLEASE TICK
Fiji	QBE Insurance (Fiji) Limited	<input type="checkbox"/>
Papua New Guinea	QBE Insurance (PNG) Limited	<input type="checkbox"/>
Solomon Islands	QBE Insurance (International) Pty Limited	<input type="checkbox"/>
Vanuatu	QBE Insurance (Vanuatu) Limited	<input type="checkbox"/>

Note: For any other markets please contact the local QBE office.

Jurisdiction

The content and use of this proposal form or any policy entered into pursuant to this form or any dealing in relation to or arising from this form are governed by:

- a. the laws of the country of the QBE office which issues the policy/ies arising from this proposal; unless
- b. the policy/ies refer to the laws of a different country applying, in which case the laws of that country,

and in relation to those matters, the parties submit to the exclusive jurisdiction of the courts of that country.

For those policies governed by the laws of the Republic of Vanuatu, the validity, interpretation and effect and the rights and obligations of the parties to such policies shall be governed exclusively by English law as applicable within Vanuatu immediately before 30 July 1980 and shall be exclusively justiciable before the Supreme Court of Vanuatu.

B. Details of applicant

a) Name of the company or organization. (Hereinafter referred to as the “Company” in this proposal and in the policy).

b) Principal address

c) Date the Company commenced business

d) Principal business of the Company

e) Please give details of all subsidiary companies for which cover is required, including subsidiaries of subsidiaries:

Name of subsidiary	Activities	% Owned	Date acquired / created
		%	
		%	
		%	
		%	
		%	

C. Details of Board of Directors

Please note: If your application contains the most recent Annual Report of the Company and the Board of Directors remains unchanged from that Annual Report then it is not necessary to complete this question. Simply tick the appropriate box below.

a) Details of the Board of Directors of the Company are:

in the attached Annual Report
 detailed below

Name of Director	Qualifications	Age	Date appointed

D. Financial position and practices of the Company

a) Has there been any change in the financial position or capital structure of the Company or is there any trend or event not reflected in the Annual Report and financial statements attached to this proposal, that might materially affect the financial position shown in those statements?

Yes No

b) Is any proposed Insured Person aware of facts or circumstances that might affect the ability of the Company to meet all its debts as and when they fall due?

Yes No

c) Did the Company or any Insured Person acquire any interests in any partnerships or special purpose vehicles or entities within the past 12 months?

Yes No

d) Does the Company have any plans to remove or replace its external auditor in the next 12 months?

Yes No

e) Are there any aspects of your revenue recognition practices that have not been approved by your existing external auditor, without qualification?

Yes No

f) Are any of your significant accounting practices, including revenue recognition, anticipated to change in the next 13 months?

Yes No

If you have answered “Yes” to any of the above, please elaborate.

E. Claims history of Directors and Officers

After full enquiry,

- a) Has there been or is there now any prior or pending claim against any proposed Insured Person in their capacity as a director or officer of either the Company or any other company, organization, association or trust? Yes No
- b) Has there been or is there now any prior or pending litigation against any proposed Insured Person? Yes No
- c) Do any circumstances exist that might give rise to a claim against any proposed Insured Person? Yes No
- d) Has any director, officer or senior employee ever been involved in a company that has been in receivership or liquidation? Yes No
- e) Has any director, officer or senior employee ever been declared bankrupt? Yes No

If you have answered "Yes" to any of the above, please elaborate.

It is agreed that if such facts or circumstances exist, this proposed insurance will exclude any claim or action arising there from.

F. Claims history of Company

After full enquiry,

- a) Has there been or is there now any prior or pending action, litigation or other proceeding against the Company, including but not limited to any action, litigation or other proceeding brought under or pursuant to any State, or local legislation? Yes No
- b) Has there been or is there now any prior or pending investigation, examination, inquiry or other proceedings in relation to the affairs of the Company? Yes No
- c) Do any circumstances exist that might give rise to any event described under a) or b) above? Yes No

If you have answered "Yes" to any of the above, please elaborate.

G. Capital raising

- a) Has the Company had any capital raisings, rights issues, debt bond issues or securities offerings in the last three (3) years that exceeded twenty (20%) percent of the issued capital of the Company at placement date? Yes No

If you have answered "Yes" to the above, please elaborate.

H. Ownership and shareholder information

- a) Please indicate the ownership structure of your company:

<input type="checkbox"/> Private	<input type="checkbox"/> Public - Unlisted	<input type="checkbox"/> Public - Listed on local stock exchange
<input type="checkbox"/> Private - Listed on foreign stock exchange	<input type="checkbox"/> Other (specify)	<input style="width: 100%;" type="text"/>

- b) Does any shareholder, or associated group of shareholders, own or control (directly or beneficially) more than ten percent (10%) of the share capital of the Company? Yes No

If "Yes", please supply details of the shareholders and the percentage owned / controlled.

c) Please provide the total number of:

i) Shares issued

ii) Shareholders

iii) Shares held by directors, officers or employees:

Name of Director, Officer, Employee	No. shares held	Name of Director, Officer, Employee	No. shares held
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I. Merger, acquisition or takeover activity

a) Has the Company been involved in any merger, acquisition, takeover or divestiture in the last three years? Yes No

b) Is the Company considering any merger, acquisition, takeover or divestiture proposal at present? Yes No

c) Is the Company subject to any takeover attempt, or has there been any attempted takeover of the Company in the last three (3) years? Yes No

If you have answered "Yes" to any of the above, please elaborate.

<input type="text"/>
<input type="text"/>
<input type="text"/>

J. North American operations

a) Does the Company conduct any business in the United States of America or Canada or their territories or protectorates? Yes No

If "Yes", please provide the following details:

i) Total assets held in North America

ii) Total revenue generated from North America

iii) Total number of employees in North America

iv) Are the shares of the Company traded on any USA Stock Exchange? Yes No

v) Does the Company have any American Depository Receipts traded in the USA? Yes No

K. Insurance cover

a) Does the Company presently carry or has the Company ever carried, Directors and Officers Liability Insurance? Yes No

If Yes, please supply details:

Insurer: Expiry date

Limit of liability Premium

b) Has the Company or any proposed Insured Person ever been refused this type of insurance, or had similar insurance cancelled, or had an application for renewal declined, or had special terms imposed? Yes No

If "Yes", please supply details

<input type="text"/>
<input type="text"/>
<input type="text"/>

L. Application for cover

a) Limit of indemnity required

b) Retention requested: (each and every claim)

c) Extensions:

i) Automatic extensions

- Libel and Slander
- Blanket Subsidiary Cover
- Previous Securities Offerings
- Intellectual Property
- Official Investigations and Enquiries
- Additional Notification Period
- Employment Practice Liability
- Severability and Non-Imputation
- Advance Payment of Defence Costs

(The above automatic extensions are included under the policies, however please refer to our formal quotation for confirmation.)

ii) Please indicate any optional extensions for which you seek cover and complete the relevant additional questions.

- External Positions Held Yes No
- Pollution Cover Yes No
- Prospectus Liability for Current or Future Offerings Yes No
- Joint Venture Liability Yes No
- Entity Protection for Critical Occurrences Yes No
- Entity Protection for Employment Related Matters Yes No
- Entity Protection for Securities Claims Yes No

d) The allocation method for Defence Costs and Expenses is the ‘fair and reasonable’ method.

- Would you prefer to adopt a ‘fixed allocation’ method? Yes No

M. Optional extensions

a) In respect of optional extension External Positions:

Please attach a list of non-profit associations where directors or officers currently hold positions.

- i) Are the non-profit association positions held expected to remain unchanged for the next 13 months?** Yes No
- ii) Are all associated companies listed in the Financial Statements attached?** Yes No
- iii) Do you ensure that each external entity maintains comparable insurance (limit of liability and breadth of cover) to yourself?** Yes No
- iv) Are all External Entities or Associations able to pay their debts as and when they fall due?** Yes No

If you have answered “No” to any of the above, please elaborate.

In respect of External Positions held, other than on Associated Entities or Non-Profit Associations, please advise:

Name of external entity	Nature of business	Web address	At last financial year end			% ownership of external entity
			Total assets	Total revenue	NPAT	
						%
						%
						%
						%
						%
						%

If insufficient space, please attach a list incorporating the above information.

b) In respect of optional extension Pollution:

- i) What sub-limit of liability is sought? (Any one claim and in the aggregate)**
- ii) What retention would you like to bear? (Each and every claim).**

c) In respect of optional extension Prospectus Liability for Current and Future Offerings:

- i) Please provide a copy of the prospectus or information memorandum.**

d) In respect of optional extension Joint Venture Liability:

- i) Please provide a list of joint ventures the Company is involved in.**

e) In respect of optional extension Entity Protection for Critical Occurrences:

- i) Are all announcements to the market regarding your financial performance vetted by the Chief Executive Officer, the Chairman or as a minimum 2 directors prior to release?** Yes No
- ii) Does the Company anticipate having to take a significant one-time charge to earnings, or restate earnings, within the next 13 months?** Yes No

If you have answered “Yes” to either of the above, please elaborate.

f) In respect of optional extension Entity Protection for Employment Related Matters:

i) Please complete the table below:

Annual salary bands in local currency	Nature of employment		
	Number of employees	Permanent full-time	Other
			%
			%
			%
			%
			%
			%
			%

Insert salary band amounts relevant to the country where you are submitting this proposal.

ii) Are any employees located outside of the country where this proposal is submitted?

Yes No

If "Yes", please categorise:

- Other Pacific or Asian countries
- North America, Australia or Europe
- Other

% of total employees

	%
	%
	%

iii) Has your annual employee turnover rate remained below 15% for the last 3 years?

Yes No

iv) Are all employment terminations reviewed prior to termination?

Yes No

v) Do you have specific guidelines regarding explicit, pornographic or offensive material in the workplace, including use of computers (world wide web, email or screen savers) for access to or display of such material?

Yes No

vi) Do you have structured recruitment procedures that avoid discrimination and ensure a fair employment application procedure?

Yes No

vii) Do your procedures conform with local employment legislation?

Yes No

If you have answered "No" to any of the questions from (iii) to (vii), please elaborate.

viii) Are you anticipating any redundancies, early retirements or downsizing in the next 12 months?

Yes No

ix) Have there been any employment related matters or claims that would have been covered under this extension, or similar insurance, in the last five (5) years?

Yes No

If you have answered "Yes" to any of the questions from (viii) to (ix), please elaborate.

x) What sub-limit of liability is sought? (Any one claim and in the aggregate).

xi) What retention would you like to bear? (Each and every claim).

g) In respect of optional extension Entity Protection for Securities Claims:

i) Are your shares listed or traded on any exchange other than in the country of your principal address?

Yes No

ii) Are all of your current debt issuances and maturities reflected in the consolidated financial financial statements supplied with this proposal form?

Yes No

If you have answered "Yes" to either of the above, please elaborate.

iii) What sub-limit of liability is sought? (Any one claim and in the aggregate).

iv) What retention would you like to bear? (Each and every claim).

N. Signature and declaration

I/We the undersigned authorised proposed insured person(s), after enquiry declare as follows:

1. I/we are authorised by each of the other applicants to make this proposal.
2. I/we have read and understood the Notice to the proposed insured on the front of this proposal form.
3. I/we have read and understood this proposal and the accompanying documents and acknowledge the contents of same to be true and complete.
4. I/we understand that, up until a contract of insurance is entered into, I/we are under a continuing obligation to immediately inform QBE of any change in the particulars or statements contained in this proposal or in any accompanying documents.

Although the signing of this proposal does not bind the applicants to effect insurance, the applicants acknowledge that the particulars and statements contained in this proposal and in the accompanying documents shall be the basis of the contract should a policy be issued; and further, the applicants acknowledge that the proposal and the accompanying documents will be incorporated in the policy.

Chairman

Name	<input type="text"/>
Signature	<input type="text"/>
Date	<input type="text"/>

Managing Director / Chief Executive Officer

Name	<input type="text"/>
Signature	<input type="text"/>
Date	<input type="text"/>

Please enclose with this proposal :

- a) The last two (2) Annual Reports and financial statements (including audit report) of the Company.
- b) The last Interim Statement of the Company (if applicable).
- c) Copy of the Indemnity Clause from the Company's Articles of Association.

Fiji

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