



PROPOSAL FORM

FOR MANAGEMENT LIABILITY INSURANCE



IMPORTANT NOTICE TO THE PROPOSER ON COMPLETION OF THIS PROPOSAL FORM

1. Disclosure

Any 'material change' must be disclosed to Insurers.

A 'material change' is any information which may alter the judgement of an Insurer or their perception of risk and exposure that has not previously been disclosed as a material fact.

Failure to provide all 'material facts' and/or notify all "material changes' may cause the contract of insurance to be void and may result in Insurers repudiating liability entirely.

2. Presentation

This Proposal Form must be completed and signed in ink by an authorised individual, a partner, principal or director of the Proposer.

All questions must be answered. If not applicable, state N/A.

If there is insufficient space to provide answers, additional information should be provided on the Proposer's letter headed paper.

Where available, brochures, standard contract conditions, conditions, agreements and letters of appointment should be provided.

Failure to present Insurers with information in an appropriate manner may adversely influence the ability or willingness of Insurers to offer terms.

3. Guidance

If in doubt as to the meaning of any question contained within this proposal form or the issues raised in Disclosure and/or Presentation, advice should be sought from your contact at Lion Underwriting Pty Ltd or another insurance advisor in the first instance.

Additional information should be provided on separate sheets clearly identifiable as forming part of the proposal form on company letterhead.

General Details

1. Insured/Proposer name:			
2. Address of the principal office:			
	Postcode:	Email:	
	Telephone No:	Fax No:	
	Website:		
3. Where is the Company incorporated?			
4. Date of Incorporation			
5. Is the Company (please tick ONE option from below):			
Private	Yes	No	
Not-for-Profit association (non share capital company) or registered charity	Yes	No	
Publicly listed on any stock exchange or securities market	Yes	No	
a Limited Liability Partnership (LLP)	Yes	No	
Unincorporated Association	Yes	No	
Other (please give details below):			
6. Please describe the nature of the Company's operations &/or Industry:			

Financial Information

7. a) Has the Company published reports and accounts in the last two latest consecutive financial years, which show:

i. qualified reports by independent auditors or accountants	Yes	No
ii. litigation or disputes or contingent or extraordinary liabilities	Yes	No

b) Can the Company pay any and all of its debts as they fall due?

Yes	No
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If one or more of the answers to 7 a) is **'YES'** and/or the answer to 7 b) is **'NO'**, please provide further details :

c) Please state:

Gross Total Revenue:	
Net Profit:	
Gross Total Assets:	
Gross Total Liabilities:	
Total Employees (excluding volunteers):	
Please state Global Total Assets in USA (if applicable):	

d) For the purpose of calculating stamp duty, please state the number of staff located each state

QLD	%	NSW	%	VIC	%	TAS	%	WA	%
SA	%	NT	%	ACT	%	Overseas	%		

Acquisition, Mergers & Claims

8. During the last five years has;

(a) The name of the Company been changed?	Yes	No
(b) Any acquisition or merger taken place?	Yes	No
(c) The capital structure of the Company changed?	Yes	No
(d) Any divestiture taken place?	Yes	No
(e) Any tender offer been made?	Yes	No

If **'YES'** has been answered to any of the above, please provide details on a separate sheet of paper in accordance with presentation above.

After full and reasonable investigation, does the Directors and Officers and/or the Company and/or the employees and/or the trustees and/or the committee members have any knowledge of the following:

a) any intention for the Company to be acquired by, or merged with, any other entity, or for there to be any other material change in the ownership of the Company (including but not limited to, a management buy-out or an offering of its share capital or securities)?	Yes	No
b) any event of the sort referred to in question 8a) having taken place in the last 24 months?	Yes	No
c) any claims, or circumstances which may give rise to a claim, or any disciplinary proceedings or any complaints having been threatened or intimated or made (successfully or otherwise) against the Directors or Officers or the Company or the employees or the trustees or committee members or the Applicant in respect of the legal liabilities or loss to which this Application Form relates?	Yes	No

If, **'YES'**, please provide details:

Optional Coverage Extensions: World Wide Including USA, Pension Trustee Liability, Entity Employment Practices Liability, Crime, Statutory, Internet

9. Is insurance sought in respect of:

a) United States of America - (If 'YES' , please answer 9 a) i, ii & iii	Yes	No
i) Does the Company have any Employees or Locations or Assets or Shares or Funds or Subsidiary Companies domiciled or incorporated in the United States and/or earn Gross Revenue in the United States of America in excess of 30% of Total Gross Revenue?	Yes	No
ii) Does the Company have ADR's. If 'YES' please confirm: Sponsored/Unsponsored - Level _____ Percentage traded	Yes	No
iii) Any other debt or equity instruments in the USA. If 'YES' please provide details.	Yes	No
b) Pension Trustee Liability - Employee benefit and pension plans? (If 'YES' then answer question 10) - Limit required _____	Yes	No
c) Entity Employment Practices Liability (If 'YES' then answer question 11) - Limit required _____	Yes	No
d) Crime Insurance (If 'YES' then answer the Crime Supplementary Questionnaire) - Limit required _____	Yes	No

- e) Entity Liability -other than cover required as per 9c & 9d Yes No
- f) Statutory Liability - Limit required _____ Yes No
- g) Internet Liability - Limit required _____ Yes No

10. Only answer if the answer to 9b) Pension Trustee Liability is **'YES'**:

- Can the Applicant confirm that all employee benefit and pension plans have no more than 5% of their investments in the shares or other securities of the Company and that these plans are adequately funded and are neither in deficit or 'run-off' and are approved without qualification by an appropriate independent third party? Yes No
- Total Assets of all plans/funds to be covered - _____

11. Only answer if the answer to 9c) Entity Employment Practices Liability is **'YES'**:

- a) Does the Company have written procedures, contracts of employment, personnel files, and employee handbook? Yes No
- b) Does the Company minute all grievance and disciplinary hearings? Yes No
- c) Does the Company expect there to be any redundancies or other reductions amongst its employees in the next 24 months? Yes No
- d) Has there been more than 10% of the employees of the Company resign, or made redundant, or dismissed during the last 24 months? Yes No
- e) Does the Company plan to make any amendments to the employee benefits package in the next 24 months or has done so during the last 24 months? Yes No
- f) Does the Company pay an average annual gross salary of more than the equivalent of GBP 250,000 to any full-time employee? Yes No

Major Shareholders

12. Does any person or entity hold (beneficially or otherwise) more than ten percent (10%) of the issued share capital of the Company? Yes No

If **'YES'**, please provide details of the shareholder(s) and percent shares owned:

		%
		%
		%

13. Is cover required in respect of any employee of the Company or subsidiary for any position in any Outside Company which is held at the specific request or on behalf of the Company or Subsidiary? Yes No

If **'YES'** please provide details in the table below:

Outside Company Name	Country	Sector	Listed?	
			Yes	No
			Yes	No
			Yes	No

Pervious Coverage & Limits Requested

14. Does the Company have D&O coverage in place? Yes No

If **'YES'**, please answer 10 a) to e)

- a) On what date did the first D&O policy become effective?
- b) If known, what is the retro-active date as stated on the current policy (if 'none' or 'not known', state 'N/A')?
- c) What is the current policy Limit?

d) What is the current premium?

e) What is the name of current insurer?

15. Please select which of the following Limits of Liability are sought for quotation. Please also state currency in question.

1,000,000	2,000,000	5,000,000	10,000,000	Other (please state)
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Declaration

By signing this proposal form you consent to Lion Underwriting Pty Ltd using the information we may hold about you for the purpose of providing insurance advice and, where appropriate, assistance in relation to handling claims, if any, and to process sensitive personal data about you where this is necessary (for example criminal convictions). This may mean we have to give some details to third parties involved in providing insurance cover. These third parties may include insurance carriers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies and regulatory authorities. In the course of performing our obligation to you, this information may be disclosed to agents and service providers appointed by us, Insurers, (including their re-insurers, legal advisers, loss adjustors or agents). Where such sensitive personal information relates to anyone other than you, you must obtain the explicit consent of the person to whom the information relates both to the disclosure of such information to us and its use by us as set out above. The information provided will be treated in confidence and, where relevant, in compliance with the Data Protection Act 1998. You have the right to apply for a copy of your information (for which we may charge a small fee) and to have any inaccuracies corrected.

I/We declare that the above statements and particulars are true, full enquiry having been made, and I/We have not omitted, suppressed or mis-stated any material facts which may be relevant to the Insurer's consideration of this proposal form and undertake to inform the Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been agreed. I/We understand that the information I/We provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided.

I/We understand that if my/our business acquires, merges with or absorbs another business during the period of insurance, the insurer will require similar information in relation to that business and may charge an additional premium.

Print Name:	
Signature:	
On behalf of:	
Date:	

Please note, if you wish to submit your form via email, an indication of terms and conditions may be provided on the basis of this proposal form. An original signature is required before a contract of insurance can be made. Encrypted signatures are not acceptable.

Signing this form does not bind the Proposer to complete the insurance. We recommend that you should keep a record of all information supplied to us, including copies of letters and this proposal form, for the purpose of entering into this contract.

Crime Supplementary Questionnaire

Only answer if the answer to 9d) is **YES**

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|-----|---|-----|----|
| 1. | Is the principle of dual control and independent validation applied with regard to all payments, including the drawing and signing of cheques and the use and of electronic funds transfers, opening new bank accounts or amending approved signatory details | Yes | No |
| 2. | Please confirm that no individual can control the appointing of suppliers or the awarding of contracts from commencement to completion without referral to others | Yes | No |
| 3. | Please confirm the maximum value of money, securities, precious metals and/or jewelry at any one location | Yes | No |
| 4. | Are bank statements independently reconciled by those not permitted to make payments, including the drawing and signing of cheques and the use of electronic funds transfers, at least every 30 days? | Yes | No |
| 5. | In connection with any acquisition, are all recommendations arising from the pre- acquisition due diligence process immediately implemented? | Yes | No |
| 6. | Have all recommendations by External Auditors regarding internal controls been compiled with following your last audit? | Yes | No |
| 7. | Are monthly management reports examined for variances against budget forecasts and such variances investigated? | Yes | No |
| 8. | Are wages/salaries independently checked against personnel records for unusual or excessive payments? | Yes | No |
| 9. | When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you: | | |
| | a) obtain written references covering, at least, their previous 3 years employment history? | Yes | No |
| | b) undergo a process to ensure their suitability for the position? | Yes | No |
| 10. | Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken at least half yearly and is this count reconciled against stock records? | Yes | No |
| 11. | Are unique passwords used to give various levels of entry to the computer depending on the users' job functions? | Yes | No |
| 12. | Are passwords automatically withdrawn when people leave? | Yes | No |
| 13. | Can payment instructions only be made to accounts which are pre-determined as an approved beneficiary? | Yes | No |

If any of the above questions are answered '**NO**' please provide full details on a separate **HEADED** sheet.