

directors and officers liability insurance proposal

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Notice

This is a proposal form for a claims made policy.

The policy will only respond to claims and/or circumstances which are first made against you and notified to Lumley General Insurance (N.Z) Limited during the policy period. The policy will not provide cover for:

- (a) Events that occurred prior to the retroactive date of the policy (if specified).
- (b) Claims made after the expiry of the policy period (or extended reporting period if available) even though the Wrongful Act giving rise to the claim may have occurred during the policy period.
- (c) Claims notified or arising out of facts or circumstances notified under any previous policy or noted on the current proposal form or any previous proposal form.
- (d) Claims made, threatened or intimated prior to the commencement of the policy period.
- (e) Facts or circumstances in your knowledge prior to the policy period which you knew had the potential to give rise to a claim under the policy.

This proposal forms the basis of any insurance contract entered into. Please complete it fully and carefully, remembering to sign the Declaration. If you do not have enough room, please attach additional sheets.

Duty of Disclosure

You have an ongoing duty to disclose all Material Facts and failure to do so could prejudice future claims. Material Facts are those which may influence a prudent insurer in deciding whether or not to insure you, on what terms, and at what premium.

1 Name of company:				
2 Address of company:				
3 The directors have continuously held directors' and officers' liability cover since:				
4 The company has continuously:				
(a) Been in business since:				
(b) Paid dividends on its ordinary shares since:				
5 Indicate which description best describes the nature of the company:				
<input type="checkbox"/> Public listed	<input type="checkbox"/> Public unlisted	<input type="checkbox"/> Private	<input type="checkbox"/> Co-operative/mutual	<input type="checkbox"/> Non-Profit/charitable
6 Provide the following details from your most recent financial period:				
(a) Total consolidated assets: \$				
(b) Total gross turnover or revenues (12 months): \$				
7 Limit of liability requested? \$				
8 Retention/deductible requested?	Yes <input type="checkbox"/> No <input type="checkbox"/>			
9 Special extensions desired?	Yes <input type="checkbox"/> No <input type="checkbox"/>			
10 Share ownership (if applicable):				
(a) Total number of ordinary shareholders:				
(b) Total number of ordinary shares:				
(c) Percentage of ordinary shares owned by the company's directors:	%			

11 Identify any material findings or recommendations from your most recent audit and the status of implementing any such recommendations.
If **None**, please indicate: None

Findings/recommendations	Status of implementation

Please attach full details for any yes response.

12 Have there been any changes in the board of directors within the past 3 years? Yes No

13 Does the company have under consideration at the present time or does it contemplate any acquisitions, tender offers, mergers, consolidations and divestiture? Yes No

14 Have there been any offers or negotiations to offer to purchase five percent or more of any class of voting shares of the company in the past 3 years or are any such offers expected in the future? Yes No

15 Has the company or any subsidiary filed or anticipate filing any new public offerings of shares, debentures or other securities? Yes No
If **Yes**, attach the prospectus and any other applicable documents.

16 Have there been any complaints made or concerns raised regarding the information contained in any such prospectus? Yes No

17 Are there any matters not disclosed in your latest audited financial statements that could affect the ability of the company to continue to trade as a going concern? Yes No

18 Has any insurer ever refused to quote, cancelled or not renewed your directors' and officers' liability insurance? Yes No

19 During the past 5 years, has the company, its directors or executive officers been involved in or have any knowledge of any fact or circumstances involving any violations of laws or regulations by any of its directors, executive officers or managers? Yes No

20 During the past 5 years, has notice of any claim been made under any directors' and officers' liability policy or has notice been given to any insurer providing such coverage? Yes No

21 After inquiry, is any director or executive officer aware of any circumstances that might give rise to a claim under the proposed insurance? Yes No

If knowledge exists, any claim made or intimated will not be covered by this proposed insurance.

22 Has there been or is there now pending any investigation, examination, inquiry or other proceedings in relation to the affairs of the company? Yes No

23 Are there or has there been any prosecution against the company or its directors or executive officers under corporate law or under any other law? Yes No

24 Please attach a copy of your most recent audited financial statements or annual report.
You need not answer questions 25-33 if the information requested is contained in the audited financials or annual report that you are attaching to this proposal form.

25 Please provide the following information for all subsidiaries of the company:

Subsidiary name	Percent of ownership	Nature of operations	Date acquired or created

26 Give a clear description of all business activities:

Business activity	Percent of total

27 Identify all shareholders owning more than 5% of the ordinary shares:

Shareholder name	Percent of ownership

28 Please list the full details of all current directors, executive officers or partners:

Name	Qualification	Date appointed	Percent of ownership

29 How often are board of directors meetings held?

30 Indicate any directors who have missed 25% or more of the board of director meetings during the past 12 months:

Name	Percent of meetings missed	Reasons

31 Indicate board committees (including audit committees) which are in existence and indicate the frequency of meetings:

Committee name	Frequency of meetings

32 Does the board of directors regularly review (as applicable):

(a) Company financial statements:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(b) Investment activities:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(c) Pending or actual litigation:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(d) Credit policies and activities:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(e) Delinquent account activity:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(f) Significant write offs:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(g) Insurance covers:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(h) Name of your external auditors:		
(i) Frequency of audits:		
(j) Are audits performed in accordance with Generally Accepted Accounting Practices?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(k) Has there been a change in your external auditors during the past 3 years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If **Yes**, please provide an explanation for the change in auditors:

33 Please detail any outside directorships (other than non-profit positions) which are held at the specific request of the company and for which coverage is requested. Please attach a copy of the most recent audited financial statements for each entity.

Name of director	Name of outside entity	Position in outside entity	Percent of equity in outside entity

Declaration

On behalf of all proposed Insureds I/We declare and agree that:

- (a) all information provided, in this proposal or attachments, is true and complete in every respect and that no Material Facts remain undisclosed;
- (b) if this risk is accepted, such information will be incorporated into and form the basis of the contract of insurance;
- (c) I/We understand that Lumley requires this information in order to evaluate this proposal and that the Privacy Act 1993 entitles me/us to have access to, and request the correction of, any information retained;
- (d) Lumley is authorised to disclose information to its advisers, reinsurers, other insurers and parties with a financial interest in the subject matter of this proposal;
- (e) Lumley is authorised to check details against the Insurance Claims Register and to place information on the Insurance Claims Register which other insurers can access;
- (f) Lumley is authorised to obtain from other parties any information which may be relevant to the acceptance of this risk;
- (g) the signing of this proposal does not bind either party to complete the contract and that no cover will be in force until confirmed by Lumley.

Insured(s) signature: _____

Title: _____

Date: / /

Addendum 1

North American liability extension

The following is an addendum to the Directors and Officers Liability Insurance proposal. It forms part of the Directors and Officers Liability Insurance Proposal when the North American Exclusion is amended under the Directors and Officers Liability Insurance Policy. Please complete all questions if you desire consideration for deletion of the North American Exclusion under the Directors and Officers Liability Insurance Policy.

1	Name of company:		
2	If the company conducts business in the USA or Canada please provide the following information:		
	(a) Number of employees residing in USA/Canada:		
	(b) Total gross assets in USA/Canada: \$		
	(c) Total turnover derived from activities in USA/Canada: \$		
	(d) Precise description of activities in USA/Canada:		
3	Does the company or any of its subsidiaries have any debt instruments or commercial paper in the USA/Canada?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4	Is the company under a 20-F filing obligation with any USA regulatory authority? If Yes , attach a copy of the most recent 20-F filing.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5	Does the company or any of its subsidiaries intend making an offering of any stock, shares, debentures, ADRs, debt instruments or commercial paper in the USA/Canada within the next 2 years? If Yes , please attach details.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
6	If the company or any of its subsidiaries have any stock, shares or debentures traded in the USA/Canada then provide the following, otherwise indicate none:		None <input type="checkbox"/>
	6.1 What was the date of the most recent offer/tender/issue?		
	6.2 Are the stocks, shares or debentures listed on any stock exchange	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	6.3 If any of the stocks or shares are traded in the form of American Depository Receipts (ADRs), please provide the following information:		
	(a) Identify the exchanges where the ADRs are traded:		
	(b) Are the ADRs sponsored?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	(c) Total size of the ADR programme:		
	(d) Percentage of ADRs traded as a total percent of issued share capital:		
	(e) Number of ADR shareholders:		
	(f) Identify all owners of more than 10% of the issued ADR share capital:		
7	After inquiry, is any director or executive officer aware of any circumstances that might give rise to a claim under the proposed amendment of the North American Exclusion? If Yes , provide details:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If knowledge exists, any claim made or intimated will not be covered by this proposed insurance.		
8	Has there been or is there now pending any investigation, examination, inquiry or other proceedings in relation to the affairs of the company in the USA/Canada? If Yes , provide details:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
9	Are there or has there been any prosecution against the company or its directors or executive officers under the laws of the USA/Canada? If Yes , provide details:	Yes <input type="checkbox"/>	No <input type="checkbox"/>