

DUTY OF DISCLOSURE

This proposal form is to be completed by the Proposer or an Authorised Officer of the Proposer. The information provided to Vero Liability in this proposal form will be the basis of any contract of insurance entered into.

You must disclose to Vero Liability Insurance Limited all information which is material to it in deciding whether to issue insurance cover to you, and if so on what terms and/or premium. This includes but is not limited to any circumstances or conduct which might lead to a claim being made against you. This may also include information which is additional to the questions that we have asked. The duty to disclose material information occurs prior to the commencement of cover, prior to each renewal or whenever the policy is varied. This means that prior to renewal or any policy variations, as well as advising of new information you also need to advise us of any alterations to the facts previously notified. Failing to disclose material information may result in your policy being avoided. This means that your policy would be deemed to have never existed and no claims would be payable.

If there is insufficient space to provide full information in this proposal, please attach additional sheets.

WHEN IN DOUBT DISCLOSE.

IMPORTANT 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 known to the Insured and notified to Vero Liability Insurance Limited during the policy period. The policy will not provide cover for:

- Events that occurred prior to the retroactive date of the policy (if specified).
- Claims made after the expiry of the policy period (or extended reporting period if available) even though the act giving rise to the claim may have occurred during the policy period.
- 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.
- Claims made, threatened or intimated prior to the commencement of the policy period.
- Claims arising from circumstances known to the Insured at the commencement of the policy period as having the potential to give rise to a claim.

INTEPRETATION

"You" or "Your" in this proposal form means "Proposer" or "Proposer's"

Section A. Proposer Details

1. Name of Proposer including trading names, names of subsidiaries and any other parties to be insured. Please provide a corporate structure diagram.

2. Address

3. Website Address

4. Email Address

5. Contact Person

6. Phone Number

7. Broker / Agent

Section B. Revenue Details

1. Please provide gross fees or income (including fees paid to subcontractors) as follows:

Country	Last Financial Year	Current financial Year estimated	Next financial year estimated
New Zealand	\$	\$	\$
Australia	\$	\$	\$
Asia & Pacific	\$	\$	\$
UK & Europe	\$	\$	\$
USA/Canada	\$	\$	\$
Total	\$	\$	\$

SECTION C. Business Details

1. State fully the nature of your business/profession including details of any advice given and/or services provided

SECTION C. Business Details (contd)

[Please furnish copies of any brochures, or other documentation which may assist Vero Liability in gaining a complete appreciation of your business/profession.]

2. When was the business established?

3. Has the name of the business ever changed? Yes No
 ▶ If Yes, please advise

4. Has any other business amalgamated or merged with you? Yes No
 ▶ If Yes, please advise

5. Have you purchased another business? Yes No
 ▶ If Yes, please advise

6. Please list the professional bodies or associations to which You belong:

7. Are any of your products and/or services subject to any legislation governed by the Financial Markets Authority? (refer www.fma.govt.nz) Yes No
 ▶ If Yes, please advise what steps you have taken to ensure you/your business in compliant with the legislation.

8. Do you sell any physical products? ▶ If Yes, please advise Yes No

9. Do you have a standard form of contract or agreement which applies to the provision of professional or specialist services/advice? Yes No
 ▶ If Yes, please enclose copies of the contract/agreement.

10. Please provide details and value of the five largest contracts entered into with Third Party entities

(a)	\$
(b)	\$
(c)	\$
(d)	\$
(e)	\$

11. Do you issue to clients or others any form of printed or on-line information, such as circulars, pamphlets, booklets, etc? Yes No
 ▶ If Yes, give details of WWW links and submit with this form a sample selection of hard copy material.

12. Have You provided any new services to clients during the last 3 years? Yes No
 ▶ If Yes, please provide details

13. Do You intend to offer any new services to clients during the next 12 months Yes No
 ▶ If Yes, please provide details:

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14. Have You ceased providing any services or wound up any subsidiary?

Yes No

▶ If Yes, please provide details including any run-off insurances arranged

15. Please describe the ownership details of Your company:

Publicly Listed Public Unlisted Private Co-Op / Mutual Non-Profit / Charitable

16. State at the dates indicated:

	Currently or at last date of Interim Report	At last Year End	At Previous Year End
Authorised Capital	\$	\$	\$
Paid up Capital	\$	\$	\$
Total Assets	\$	\$	\$
Total Deposits	\$	\$	\$
Total Loans and Discounts	\$	\$	\$
Total Funds under Discretionary management	\$	\$	\$
Total Profit before Tax	\$	\$	\$

17. Please state the number of employees and salaries in the following categories:

	New Zealand		Overseas	
	Numbers	Salaries/Commission	Numbers	Salaries/Commission
Head Office		\$	\$	\$
Computer Centre		\$	\$	\$
Branches		\$	\$	\$
Subsidiaries		\$	\$	\$
Total		\$	\$	\$

18. What has been the percentage of personnel turnover in the following categories during the last 12 months?

	Inward	Outward
Directors (including those of subsidiaries)	%	%
Employees	%	%

SECTION D. Proposer's Activities

1. In the last financial year what approximate percentage of total revenues were derived from the following activities:

	New Zealand	Overseas
(a) Commercial Loans – Domestic	%	%
Commercial Loans – Foreign	%	%
Interbank Loans – Domestic	%	%
Interbank Loans – Foreign	%	%
Personal Loans	%	%

	New Zealand	Overseas
(b) Leasing	%	%
(c) Trade Financing, Forfeiting	%	%
(d) Barter, Countertrade or Swap Operations	%	%
(e) Foreign Exchange Dealings	%	%
(f) Commodity Market Dealings	%	%
(g) Securities Dealings	%	%
(h) Mergers and Acquisitions Advice	%	%
(i) Share Placing and New Issues	%	%
(j) Fund Management (discretionary)	%	%
(k) Fund Management (non-discretionary)	%	%
(l) Investment Advice (direct to public)	%	%
(m) Venture Capital	%	%
(n) Insurance - Life	%	%
(o) Insurance - General (Non-Life)	%	%
(p) Overseas Advisory	%	%
(q) Any other activity (please describe)	%	%

2. If you are involved in any form of securities trading please complete the supplementary proposal for appended to this form

3. Attach an organisational chart showing responsibilities and reporting lines to the Board of Directors for each activity

4. Do you perform any of these activities for any entity noted in Section A?
(ie companies you are intending to be insured under this Policy) Yes No

▶ If Yes, please advise

SECTION D1.

Please answer this section if you conduct or advise upon takeovers and mergers, rights issues, share floats, IPOs or similar – otherwise skip to Section D2

1. List each takeover or merger situation in which you acted on behalf of clients in the last 12 months, indicating on behalf of whom you were acting, and the values involved:

Offeror	Acting for: <input checked="" type="checkbox"/>	Offeree	Acting for: <input checked="" type="checkbox"/>	Outcome	Offer Value
	<input type="checkbox"/>		<input type="checkbox"/>		\$
	<input type="checkbox"/>		<input type="checkbox"/>		\$
	<input type="checkbox"/>		<input type="checkbox"/>		\$
	<input type="checkbox"/>		<input type="checkbox"/>		\$
TOTAL					\$

2. How many flotations have you undertaken in the last 12 months? List each indicating the share capital involved.

Company	Shares Placed	Value
		\$
		\$
		\$
		\$
TOTAL		\$

3. How many rights issues have you undertaken in the last 12 months? List each indicating the share capital involved.

Company	Shares Placed	Value
		\$
		\$
		\$
		\$
TOTAL		\$

SECTION D2.

Please answer this Section if you undertake trust activities or discretionary account management. Otherwise skip to Section E

1. Are all client's agreements reviewed annually? Yes No

2. Are all trust/discretionary transactions subject to the same procedures and review as the Proposer's own account transactions? Yes No ▶

▶ If No, please describe:

3. State (i) The number of trust/discretionary accounts?
 (ii) The asset value of the largest managed account? \$

4. How often are financial reports rendered to clients?

5. Does you have an approved list of securities which can be recommended to clients? Yes No

SECTION E. Funds Transfer/Telephonic Instructions

1. Does You use or subscribe to Electronic Funds Transfer systems? Yes ▶ No

▶ If Yes, please list each one:

2. Does You use or subscribe to Electronic Funds Transfer systems that allow direct access by clients to the Your database? Yes ▶ No

▶ If Yes, please list each one:

3. Does You use or subscribe to Electronic Funds Transfer systems that allow clients to directly execute a transfer of funds? Yes ▶ No

▶ If Yes, please list each one, indicating whether transfer can be made on a pre-format or free-format basis:

4. Does You permit the initiation of Funds Transfer by telephone instructions from clients? Yes ▶ No

▶ If Yes:

(a) Do all clients to whom this facility is available complete written agreements outlining legal responsibilities and call back parameters for verification? Yes ▶ No

▶ If Yes, please attach a copy

(b) What are the call back parameters?

(c) Are all such instructions directed only to the Wire Transfer Room? Yes No ▶

(d) Are all conversations including these instructions recorded? Yes No ▶

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(e) Is a written document or electronic record produced in respect of each instruction, which is dated, logged and maintained for at least 90 days? Yes No ▶

▶ If No to (c), (d) or (e) please describe your procedures:

5. Please advise procedures when instructions are received by telephone for the following services:

(a) Within the Commodity Trading

(b) Concerning the purchase/sale of stock

(c) Within the Foreign Exchange Department

SECTION F – Regulatory Accountability, Legal and Compliance

1. To which regulatory authorities are You and those subsidiaries listed in the answer to Section A of this form, accountable?

2. Please state the name and address of your Chartered or External Accountants

3. Please state the frequency of auditing services performed by the Accountants

4. Does the Auditing Firm regularly review the system of internal controls and furnish written reports? Yes No

5. Have the Auditing Firm made any recommendations in the last two audits? Yes ▶ No

▶ If Yes, please state recommendations and confirm that they have been adopted. If not adopted, please advise reasons for not doing so

6. Has the Auditing Firm been changed in the last 5 years? Yes ▶ No

▶ If Yes, please advise details and explain why the change was made

7. Please attach a copy of the most recent engagement letter from your principal Auditing Firm Attached

8. Do You have:

(a) An internal audit department? Yes ▶ No

(b) a Compliance Officer? Yes ▶ No

▶ If Yes, state the Compliance Officer's duties, and to whom the Compliance Officer reports

9. How many internal audit staff do You have?

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10. What is the frequency of audits by internal auditors?

11. Have all shortcomings identified the last external and internal auditors' review been corrected or improved? Yes No ▶

▶ If No, please detail areas requiring correction or improvement

12. Do You have a written code of ethics encompassing all employees which includes a statement on the principles of acceptable conduct, and with guidelines for acceptable outside activities, conflict of interest, gifts from clients, and prohibition on other employment? Yes ▶ No

▶ If Yes, please include copy with proposal

13. Are employees required to agree in writing that they have read the ethics code and are abiding by such code? Yes No

14. Do You require all Directors and Employees to declare their outside business interest and specify relationships which could lead to possible conflicts of interest? Yes No

15. Please state the name and address of your Lawyers routinely acting for the Firm/Company

16. Do the Lawyers supply written opinions as to the legality of any change in investment or management policy in connection with Trusteeship activities? Yes No

17. Do You have an in-house Legal department? Yes ▶ No

▶ If Yes, how many legally qualified individuals does it consist of, and what are the department's responsibilities?

18. Does it offer its services to customers or other third parties? Yes ▶ No

▶ If Yes, please advise

19. Are all external publications issued by You reviewed by the in-house Legal department and/or outside legal advisors? Yes No

20. Do Directors regularly review Health and Safety risk assessment and compliance? Yes No

SECTION G – Disaster Recovery / Business Continuity

1. Please describe Your disaster recovery/ business continuity plan

2. Is the above plan formalised and are staff aware and trained on how to enact it? Yes No

SECTION H – Directors & Officers

Complete this Section if you wish Vero Liability to provide you with a quote for Directors and Officers Insurance. Otherwise skip to Section I

1. Please provide a list of all current directors and executive officers

Name	Qualification	Date Appointed	% Share Ownership of Company(ies)

2. Please advise details of any outside trusteeships, directorships or other appointments for which cover is required

Individual	Name of Outside Entity	Date Appointed	Position Held

Share Ownership (if applicable)

3. Total Number of Shareholders	
4. Total number of Ordinary Shares	
5. Percentage of Ordinary Shares owned by Directors	%
6. Names of Shareholders owning more than 10% of Ordinary Shares:	
Shareholder's Name	Percentage of Ownership
	%
	%
	%
	%
	%

7. Does the Company intend to make any new public or private securities offerings (whether debt or equity) within the next year. Yes No

▶ If Yes, please provide details (note these are offerings specifically of securities in your own company)

8. Are you aware of any facts or circumstances which could affect the ability of the company to meet its debts as and when they fall due? Yes No

▶ If Yes, please provide details

Required Documents

Please enclose the following documents: (tick to indicate enclosures)

- The last two Annual Reports and financial statements of the Company
- The last Interim financial statement of the Company (if applicable)
- Copy of the Indemnity Clause from the Company's constitution (if it has changed since previous submission).
- Copy of the prospectus, information memorandum or other sale/purchase documents issued in the last three years with respect to the Company's own securities (i.e. debt, enquires, shares), if not previously submitted.

SECTION I – Crime/Fidelity

Complete this Section if you wish Vero Liability to provide you with a quote for Bankers Blanket Bond / Fidelity / Crime Insurance. –
Otherwise skip to Section J

Recruitment Procedures

1. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:

- | | | |
|---|------------------------------|-----------------------------|
| (a) Undertake independent checks into their employment history? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) Undergo a process to ensure their suitability for the position? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Internal Controls

2. Are duties segregated so that no individual can control any of the following activities from commencement to completion without dual authorisation:

- | | | |
|--|------------------------------|-------------------------------|
| (a) Signing cheques or authorising payments (including capital expenditure)? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (b) Issuing funds transfer instructions? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (c) Amending funds transfer procedures? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (d) Opening new accounts? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (e) Investment in and custody of securities and valuables (including bank cheques, travellers cheques, bills of exchange etc.) | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (f) Refund monies or return goods? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (g) Disbursement of assets or funds of any Pension Plan? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (h) Awarding contracts following a tender? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |

- | | | |
|--|------------------------------|-------------------------------|
| 3. Are all supporting documents validated before authorising payments? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| 4. Are statements of accounts sent to customers independently of employees receiving statements? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| 5. Are bank statements independently reconciled with customer accounts by persons not authorised to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| 6. Are wages/salaries independently checked against personnel records for unusual or excessive payments? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |

▶ If the answer is No to any of these questions please describe the process

IT/Computer Systems

- | | | |
|--|------------------------------|-------------------------------|
| 7. Do you have a dedicated in-house resource for the management of IT/Computer Systems? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 8. Do you contract external consultants to manage your IT systems? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 9. Are computer passwords issued to control various levels of entry to systems to correspond with users' authorisations? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 10. How frequently are passwords changed? | | |
| (a) Are passwords cancelled when users leave | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (b) Are programmes changes authorised independently of personnel who implement the changes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (c) Are programmes protected to prevent/detect unauthorised changes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (d) Are all of your computers and other devices firewall-protected to prevent unauthorised access from all external sources? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (e) Do you utilise a proprietary anti-virus software programme with maintenance agreement to protect all of your computer devices against viruses, malware, spyware and worms? | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |
| (f) Do you maintain a full back up and recovery system for all data | Yes <input type="checkbox"/> | No <input type="checkbox"/> ▶ |

▶ If the answer is No to any of the above (a) – (f), please describe processes

11. How frequently do you back-up data? _____

12. What back-up media or resource do you use? _____

13. Have your programmes or hardware ever been the subject of any unauthorised access or any virus or malware? Yes ► No

► If Yes, please describe circumstances and remedial or recovery actions _____

14. Are your IT systems/security subject to external audit? Yes ► No

► If Yes, how frequently? _____

Suppliers/Service Providers

15. Do you maintain an approved suppliers list? Yes No

16. Are purchases from non-listed suppliers approved by duly authorised personnel? Yes No ►

► If No, please provide brief details _____

17. Do you outsource any activities to external providers or consultants? Yes ► No

► If Yes, please provide brief details _____

18. Are outsourcing providers engaged under contract? Yes No

19. Are outsourcing providers operating on your premises under your management control? Yes No

SECTION J – Disciplinary Actions and Claims

1. During the last 5 years have You received an admonishment or critical directive from any regulatory authority? Yes ► No

► If Yes, please advise details _____

2. Are You currently involved in any litigation as a defendant? Yes ► No

► If Yes, please advise details _____

3. Have any of the Partners/Principals/Directors or employees or agents or subcontractors ever been subject to disciplinary proceedings, or reprimand by any Court or professional association as a result of their professional activities? Yes ► No

► If Yes, please advise details _____

4. Is there any other information which may be considered material to Vero Liability's assessment of the risk to be insured? Yes ► No

► If Yes, please advise details _____

Previous Insurance Cover

5. State details of similar insurances carried during the previous 5 years, if any:

(a) Professional Indemnity

Insurers	
Sum Insured	\$
Deductible	\$

(b) Directors & Officers

Insurers	
Sum Insured	\$
Deductible	\$

(c) Bankers Blanket Bond/ Fidelity / Crime

Insurers	
Sum Insured	\$
Deductible	\$

Prior Insurance

6. Has any insurer in respect of the risks to which this proposal relates ever:

- (a) declined a proposal, refused renewal or terminated any insurance? Yes No
- (b) required an increased premium or imposed special conditions? Yes No
- (c) declined an insurance claim by the Proposer or reduced its liability to pay an insurance claim in full (other than by application of an Excess)? Yes No

▶ If Yes to any of the above please give details

Past Claims

7. Has any claim been made against the Proposer or any principal or director (including principal or director of any previous business) consultant or employee in respect of the risks to which this proposal relates? Yes No
8. Has the Proposer or any principal, partner, director, consultant or employee incurred any other loss or expense which might be within the terms of this insurance? Yes No

▶ If Yes in either case please give details

Date of Claim or Loss	Brief details of claim or loss	Cost (if any of claim paid or loss insured)	Estimated outstanding loss
		\$	\$
		\$	\$
		\$	\$
		\$	\$

9. What action has been taken to prevent a recurrence of the situation which gave rise to each claim or loss?

Potential Claims

10. Is any principal, director, partner consultant or employee, after enquiry, aware of any circumstances which might:

(a) give rise to a claim against the Proposer or his/her predecessors in business or any present or former principals, partners, directors, consultants or employees?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(b) result in the Proposer or his/her predecessors in business or any present or former principals, partners, directors, consultants or employees incurring any losses or expenses which might be within the terms of this insurance cover (this includes but not limited to disciplinary hearings)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

▶ If Yes, please give details including maximum potential cost

This form must be dated and is to be signed by two Directors of the Proposer.

Declaration

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

- the information and answers given in this proposal are in every respect true and correct and that Vero Liability has been made aware of all information that may be material in considering this proposal.
- this proposal and declaration shall be the basis of and incorporated in the insurance contract.
- I/We warrant that we will notify Vero Liability of any material alteration to these facts whether occurring before or after the completion of this insurance contract.
- Vero Liability is authorised to give to or obtain from any other insurers or any insurance broker or other party any information relating to this insurance or any other insurance held by me/us or any claim made by me/us.

I/We understand that:

- Vero Liability is collecting the information on this proposal for the purpose of conducting its business, evaluating our insurance requirements and deciding whether to issue insurance cover and if so on what terms.
- failure to provide any of this information may result in Vero Liability refusing to provide the insurance.
- this information will be held by Vero Liability at 23-29 Albert Street, Auckland.
- I/We have certain rights of access to and correction of this information.

Signed:

Title: Date:

Signed:

Title: Date:

If this proposal form is being completed electronically, please print the completed form to sign.

Note: Completion of this proposal does not bind the Proposer or Vero Liability to enter into a contract of insurance.

Vero Liability Insurance Limited

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