

directors & officers and
company reimbursement
proposal

Vero Liability Insurance Limited
Private Bag 92055
Auckland
New Zealand



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 against the Insured and notified to the Insurer during the policy period. The policy will not provide cover for:-

- o Events that occurred prior to the retroactive date of the policy (if specified)
- o 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.
- o 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.
- o Claims made, threatened or intimated prior to the commencement of the policy period.
- o 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.

DISCLOSURE

You must disclose to the Insurer all information which is material to it in deciding whether to issue insurance cover to you, including any facts or conduct which might lead to a claim being made against you. This disclosure also extends to information the insurer of any material alteration to facts notified in the proposal form, whether occurring before or after the completion of the insurance contract. Failing to do so could affect your rights to indemnity.

WHEN IN DOUBT DISCLOSE.

INSTRUCTIONS

- o Before completing the proposal, enquiries should be made with each director, the company secretary and senior executive in relation to the questions and declarations to be completed on their behalf, via their completion of a Declaration Form, for your internal use only.
- o Please answer all questions giving full and complete answers. If there is insufficient space, please add an Addendum in order to provide a complete answer to any question.
- o Please be sure to sign and date the Proposal Form.

DETAILS OF THE ORGANISATION

1. a) Name of Organisation

- b) Address of the Organisation

- c) Country of Registration

- d) Nature of Business of the Organisation and Subsidiaries

- e) How long has the Organisation continuously carried on business?

If applicable, names under which the business was formerly conducted (with dates):

f) Is the Organisation?

- (i) Private? Yes No
- (ii) Public? Yes No
- (iii) Listed on the New Zealand Stock Exchange? Yes No
- (iv) Listed on foreign stock exchanges? Yes No
- (v) Listed on any unlisted securities market or exempt stock exchange? Yes No
- (vi) Traded in any other way? Yes No

If Yes, to (ii), (iii) or (iv) please advise details.

g) Name and address of legal advisors:

h) Name and address of accountant/financial advisors:

STRUCTURE

2. a) During the last three years has:

- (i) The name of the Organisation changed? Yes No
- (ii) Any acquisition or merger involving the Organisation taken place? Yes No
- (iii) Any subsidiary company been sold or ceased trading? Yes No
- (iv) The capital structure of the Organisation changed? Yes No

If Yes, to any of the above, please advise details.

b) Is cover required in respect of claims made in the USA or Canada or claims made elsewhere arising out of the Organisation's activities in the USA/Canada or their protectorates? Yes No

If Yes, please complete the attached Appendix A.

c) Please advise the following information for all subsidiary companies to be covered (including former subsidiaries and subsidiaries of subsidiaries etc) using the table below and continuing on an Addendum if necessary.

Name of Subsidiary	Type of Operation	% Owned	Date Acquired/ Created	Date Divested	Jurisdiction of Incorporation

d) Total number of shares issued?

e) Total number of shares held by Directors & Officers (both direct and beneficial)

f) Approximately how many shareholders does the organisation have? (classified where appropriate)

g) Name and percentage of any shareholder owning 10% or more of the shares directly or beneficially:

h) What are the total assets of the Organisation at the date of this proposal?

i) Has the Organisation changed its external auditing firm in the past five years? If Yes, please advise why? Yes No

j) Does the Organisation have any plans to remove or replace its external auditor in the next 12 months? If Yes, please advise why? Yes No

DETAILS OF INSURED PERSONS

3. Names of current directors, company secretary and senior executives:

Directors

Senior Executives

(Note: the policy will not necessarily be limited to those persons named above)

b) Does the Organisation require cover for any outside directorships held by directors, the company secretary, senior executives, trustees etc? Yes No

An outside directorship is a position held as director, senior executive, trustee etc, in any entity which is not a subsidiary of the Organisation, the position may be held:

- (i) with the knowledge or consent of the Organisation; or
- (ii) at the specific request of the Organisation; or
- (iii) for the purpose of representing the Organisation.

c) Please advise the details of any outside directorships or appointments (including former outside directorships and appointments) for which cover is required, using the table below and continuing on an Addendum if necessary.

Individual	Name of Outside Company	Position	Indicate if position if held for (i), (ii) or (iii)

(Note: If position not currently held, please state when relinquished)

d) Please advise the details of trusteeships (including former trusteeships) held in related/associated bodies (e.g. superannuation funds) for which cover is required, using the table below and continuing on an Addendum if necessary.

Individual	Body	Position

(Note: Limited cover for trustees may be negotiated under the Directors & Officers Liability Policy. If more comprehensive cover is required, for example, to indemnify the fund itself, a separate Trustees Liability Insurance proposal will need to be completed.)

e) Have any Directors and/or Executive Officers of the Organisation resigned or been replaced in the past 12 months? Yes No

If Yes, please advise who and why?

CHANGES ANNOUNCED

4. a) Has the Organisation publicly revealed:

(i) that it has under consideration at the present time any acquisitions or mergers? Yes No

(ii) that it intends to make any new public or private offerings of its own securities (i.e. debt, equity, shares) within the next year? Yes No

(iii) that it is aware of any proposal relating to its acquisition by another company? Yes No

If Yes, please advise details.

b) Has the Organisation issued any public or private offerings of its own securities (i.e. debt, equity, shares) within the past three years? Yes No

If Yes, please advise details and attach a copy of the prospectus, information memorandum or other sale/purchase documents.

c) Will the Board of Directors be relying upon the Insured Organisation's independent legal and financial advisors (as listed in 1(g) and (h)) when undertaking:

i) Major transactions Yes No

ii) Solvency test Yes No

iii) Distributions Yes No

iv) Acquisition of own shares Yes No

v) Redemption of shares Yes No

PUBLICLY LISTED COMPANIES

5. a) Have all revenue recognition practices been approved by your external auditor in the last five years? Yes No

If No, please advise details

- b) Does the Organisation, any of its subsidiaries or any of its Directors and/or Officers have any interests in any partnerships or Special Purpose Vehicles or Entities? Yes No

If Yes, please advise details

- c) Has the Organisation ever restated its financial results? Yes No

If Yes, please advise details

- d) Does the Organisation have corporate policies with respect to Directors, Officers and employees ability to purchase or sell the company's stock, including the ability to exercise stock options? Yes No

If No, please advise why?

CLAIMS HISTORY

6. Questions (a) to (i) should be answered with respect to the directors, company secretary and senior executives, in their capacities as such, of the organisation or of any other company.

- a) After enquiry, has there been or is there now pending any claim against any director, or company secretary or senior executive of the organisation or any other company, in their capacity as such, or are they aware of any pending or prior claims against any person proposed for cover? Yes No

If Yes, please advise details

- b) After enquiry, is there now pending or has there ever been any prosecution of the Organisation or its subsidiaries or any director, company secretary or senior executive under the Fair Trading Act, Companies Act, Commerce Act or any other legislation? Yes No

If Yes, please advise details

- c) After enquiry, is there now pending any claim or litigation against or involving the Organisation or its subsidiaries? Yes No

If Yes, please advise details

- d) After enquiry, has there been any investigation, examination or inquiry commenced involving the organisation or any director, company secretary or senior executive? Yes No

If Yes, please advise details

e) After enquiry, has any director, company secretary or senior executive been involved in a company that has been in receivership or liquidation? Yes No

If Yes, please advise details

f) After enquiry, of all directors, the company secretary and senior executives of the Organisation and its subsidiaries, are they aware of any facts or circumstances which:

(i) could give rise to a claim against him or her in their capacity as such, or against any other person proposed for cover? Yes No

(ii) have the potential to give rise to an investigation, examination or inquiry? Yes No

If Yes, please advise details.

If such facts or circumstances exist, any claim or action arising therefrom is excluded from this proposed coverage.

g) After enquiry, of all directors, the company secretary and senior executives have they ever been refused this type of cover, had a similar policy cancelled, had an Insurer refuse to renew or had any special terms or conditions imposed? Yes No

h) Has the Organisation ever been refused this type of cover, had a similar policy cancelled, had an Insurer refuse to renew or had any special terms or conditions imposed? Yes No

If Yes, please advise details

i) After enquiry, of all directors, the company secretary and senior executives, have any of them been involved in any criminal conduct, had a statutory demand placed upon them, been the subject of any disciplinary action, been fined or penalised or been the subject of any inquiry in their respective capacity during the past five years? Yes No

If Yes, please advise details

PAST INSURANCE

7. Does the Organisation presently carry, or has it ever carried, Directors & Officers Liability insurance? Yes No

If Yes, please advise the following details:

Insurer:		
Expiry Date:		
Limit of Liability	\$	
Excess:	\$	
Premium	\$	

INSURANCE COVER

8. a) Amount of indemnity required (any one claim / in the aggregate)	\$
b) Excess applicable to each and every claim	\$

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

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

DECLARATION

I/We hereby declare that the information and answers given in this proposal are in every respect true and correct and that Vero Liability Insurance Limited is aware of all information that may be material in considering this proposal. I/We agree that this proposal and declaration shall be the basis of and incorporated in the insurance contract. I/We undertake to inform Vero Liability Insurance Limited of any material alteration to the above facts whether occurring before or after the completion of this insurance contract.

I/We authorise Vero Liability Insurance Limited to obtain from 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 Insurance Limited is collecting the information on this proposal to evaluate my/our insurance requirements.
- I/we am/are obliged to inform Vero Liability Insurance Limited of any information which may be material to its consideration of this application.
- Failure to provide any of this information may result in Vero Liability Insurance Limited refusing to provide the insurance.
- I/we have certain rights of access to and correction of this information.
- Approval is to be sought from Vero Liability Insurance Limited before either the indemnity clause or insurance clause as it appears in the Insured Organisation’s Constitution provided to Vero Liability Insurance Limited, is amended or changed in so far as such amendments may materially change the risks covered by the proposed policy.

Signed	<input type="text"/>
Name	<input type="text"/>
Position	<input type="text"/>
Date	<input type="text"/>

Completion of this proposal does not bind the Proposer or Vero Liability Insurance Limited to complete this insurance.

Vero Liability Insurance Limited
Private Bag 92055 Auckland New Zealand
Telephone 09 306 0350 Facsimile 09 306 0351

www.veroliability.co.nz

APPENDIX A
USA / CANADA SUPPLEMENTARY QUESTIONS

A) Has the Organisation or any subsidiary at any time:

- (i) conducted any business in the USA or Canada? Yes No
- (ii) held a beneficial interest in any company in the USA or Canada? Yes No

B) Please give total gross assets of the Organisation and all of its subsidiaries in North America.

C) Please list all wholly owned subsidiaries incorporated, resident or domiciled in North America together with a brief description of their business activities.

D) Please list those subsidiaries in North America, including those that are not wholly owned, together with the Organisation's percentage interest in each:

E) For each company outlined in (D) above, who owns the minority stock?

F) Has the Organisation or any of its subsidiaries had shares traded on a listed stock exchange in the USA or Canada, or issued shares, stock or debentures in the USA or Canada? Yes No

If Yes:

(i) on what date was the last offer/tender/issue made?

(ii) was the offer subject to the United States Securities Act 1933 and/or the United States Securities Exchange Act 1934 and/or any amendments thereto? Yes No

If Yes, please advise details:

(iii) If any stocks or shares are traded in form of ADR and/or ADR 144A programs, please advise:

- a. in which exchange are they traded?
- b. whether they are sponsored or unsponsored?
- c. the total size of the program?
- d. the percentage traded as a total percent of issued share capital?
- e. the number of ADR shareholders?
- f. all holdings representing 10% or more of the issued ADR shares?

G) Have any debt or equity instruments or commercial papers been issued in North America? Yes No

H) Does the Organisation or any of its subsidiaries intend making an offering of the type referred to in questions (d) and (e) above within the next 24 months? Yes No

If Yes, please advise details

I) Are you under a 20-F filing obligation with the USA regulatory authorities? (SEC Regulations dictate that 20-F filings be made at regular periods for firms listed on a USA exchange.) Yes No

If Yes, please supply copies. If No, under what exemption:

J) Is the Organisation required to follow US Generally Accepted Accounting Principles (GAAP)? Yes No

If Yes, are the Organisation's financial statements in accordance with US GAAP? Yes No

K) Is the Organisation required to have an internal Audit Committee pursuant to US statutes, rules or regulations? Yes No

If Yes,

a. does the Organisation have an internal Audit Committee in compliance with US statutes, rules or regulations? Yes No

b. does the Audit Committee meet more than four times a year? Yes No

L) Has the Organisation been subject to an SEC enforcement or an Internal Revenue Service (IRS) enforcement in the past five years? Yes No

If Yes, please advise details

M) Does the SEC or IRS have any inquiries or requests to the Organisation pending? Yes No

If Yes, please advise details

Signed
Name

Position
Date

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