

IMPORTANT: Duty Of Disclosure

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

There are serious consequences if you fail to tell us information which is material to our decision to issue, renew, or alter this policy, or the terms on which we did any of these things.

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 may 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 document, please attach additional sheets. **WHEN IN DOUBT DISCLOSE.**

Claims Made Policy

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.

Applicant Details

Name of applicant including trading names, names of subsidiaries and any other parties to be insured:

Address:

Website Address

Email Address Contact Person

Phone Number Fax Number

Broker / Agent

Financial Details

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	\$	\$	\$
Rest of the world	\$	\$	\$
Total	\$	\$	\$

Details of Principals and Staff

Names of Principals/Directors or Persons for whose acts cover is required	Qualifications	When Qualified	How long practising as Principal/Director

Numbers of Staff	Employees		Contractors	
	Full time	Part time	Full time	Part time
Employees with "Technical" or Science Degrees				
Programmers				
Engineers				
Trainees				
Sales				
Administration				
Other				

Business Details

State fully the nature of your business/profession including details of any advice given and/or services provided (please include current and past activities):

When was the business established?

Has the name of the business ever changed? Yes No

Has any other business amalgamated or merged with you? Yes No

Have you purchased another business? Yes No

Please advise the estimated percentage of revenue applicable to the following activities:

Value added resale & distribution, retails sales of hardware and software	%
PC based packaged software development	%
PC based custom software development	%
Client server software development	%
Mainframe package software development	%
Mainframe custom software development	%
General Consultancy	%
Systems and/or programme design	%
Contract programming	%

Proposal Form Information Technology Liability

Data processing/ Data Warehousing	%
Database design/ database administration	%
Website Developer / Website administration	%
Website software Development	%
Sale of software where programme code is modified	%
Third party Software sales	%
Internet service Provider or Online service provider	%
Integration Services	%
Maintenance Services	%
Facilities Management	%
Bureau Services	%
Telecommunications Services	%
Other (please describe)	%

Please advise the estimated percentage of end user applications of your Products & Services:

Core Business Functions	%
Inventory Control	%
Freight / Goods / Stock Movement	%
Maintenance / Asset management	%
Manufacturing Control Process	%
Security (digital certificates, firewalls ,encryption)	%
Online stock trading	%
Funds transfer	%
Accounting (including debtors & creditors)	%
Multimedia	%
Documentation Management Systems	%
Others (Please describe)	%

Please advise the estimated percentage of end user profiles:

Pharmaceutical	%
Chemical manufacturer	%
Oil & Gas	%
Transport (Road, Rail, Air & Sea)	%
Food & Drink Manufacturer	%
Broadcasting (Radio & TV)	%
Gaming	%
Mining	%
Medical	%
Cosmetic Manufacturing	%
Public Utilities (power & water)	%
Computer & Electronic Parts Manufacturer	%

Proposal Form Information Technology Liability

Defence Forces	%
Emergency Services (police, fire, ambulance)	%
Scientific and Measurement	%
Civil Engineering (bridges, dams roads buildings)	%
Manufacturing (ships, aircraft, motor vehicles, rolling stock)	%
Educational	%
Financial (stockbroking, banking, insurance)	%
Government	%
Legal	%
Accounting	%
Other (please describe):	%

How would You rate Your typical customer's technical sophistication: High Average Little

How would You rank Your customer's potential for consequential damage and resulting dollar loss due to the failure of Your Products or Services: High Average Little

Your Products

What percentage of your revenues are derived from the following:

Products you create and distribute	%
Products you sell and distribute for others	%
Royalties you receive	%
Distribute only, for others	%
Advertising products or services for others	%
Online Commerce	%
Others (Please describe):	%

When Your Products are being sold or marketed through others, what percentage (on average) do You require as a royalty? %

Of Products that You will generate revenue from in this current financial year, what percentage are:

Zero to 1 Year	%
Over 1 year but less than 2 Years	%
2 Years but Less than 5 Years	%
5 Years or Longer	%

Web-based Activities

Does Your website(s) support a chatroom or bulletin board? Yes No

▶ If Yes, who manages the chatroom or bulletin board?

If a sub-contractor manages the chatroom or bulletin board, do you make the sub-contractor contractually responsible for liabilities arising out of the chatroom or bulletin board? Yes No

Do you edit the chatroom or bulletin board? Yes No

Proposal Form **Information Technology Liability**

Which of the following best describes Your system development documentation, quality control and testing and customer involvement with testing and quality review?

Detailed written with extensive customer involvement

Good written with average customer review

No written or implemented with little customer review

Describe the controls You have in place to prevent or mitigate damages: Detailed Limited None

Briefly describe Your customer acceptance and sign-off process:

Describe any other quality initiatives that will help us assess your operations:

Intellectual Property

Do you sell or advertise any of Your products as being alike, compatible with, or a clone of another company's products? Yes No

If the answer is Yes to the previous question, do you have an agreement with the other company to produce and market such products? Yes No

Do all employees (including directors), contractors and consultants sign Your standard confidentiality agreement? Yes No

Do all employees (including directors), contractors and consultants assign standard intellectual property rights when engaged? Yes No

When engaging employees (including directors), contractors and consultants, are they required to sign a statement to the effect that they will not distribute or utilise previous employer's trade secrets? Yes No

Do you have a formal policy or procedures in place regarding:

(a) Hyperlinking, cross-linking, framing and referral agreements Yes No

(b) Tracking and logging traffic Yes No

Who can make such agreements

Do you include disclaimers on your web pages including disclaimers as to the content of other, third-party hyperlinked home pages? Yes No

Do you have an appropriate legal and other screening processes of all materials and contents made available on the Internet and Web? Yes No

Do you examine agreements with all Internet and Web contractors, consultants and outsourcers to ensure that they are not authorised to modify or publish corporate materials which have not been screened? Yes No

Do you conduct full trademark searches on Your desired domain name(s)? Yes No

Do you register Your required domain names? Yes No

Do you have a formal policy or procedures in place regarding the prohibition of copyright or use or text, pictures or music unless:

(a) You own the copyright? Yes No

(b) The owner grants a valid license? Yes No

(c) Legal counsel can provide a reasonable assurance that the copying is "fair use" of the work? Yes No

(d) Legal counsel agrees that the work is in the public domain? Yes No

Do you have a formal policy or procedures in place regarding action steps necessary to address complaints of defamation, infringing or troublesome material on Your website(s) You designed or have responsibility for? Yes No

Do you obtain clearance from outside counsel or "in house" counsel before any and all Your Products and Services are released? Yes No

Would you ever release a product or service for which you have received a qualified opinion that an intellectual property dispute exists? Yes No

▶ If Yes, please provide details:

Contract / Agreements

Do you undertake assignments / projects on Your standard contract terms? Yes No

▶ If Yes, please provide a copy.

If You do not use Your standard contract terms, would You commence any assignment or a project where there is no written agreement or contract in force? Yes No

Do you deviate or amend the terms and conditions of your standard contract? Yes No

What percentage of Your customer contracts does your legal adviser review? %

Do you ever negotiate contracts with Your customers in which You accept Liability for consequential damages? Yes No

▶ If Yes, please explain in detail when and how often:

Software Licence Agreements

When providing software do you ensure customers are issued with and sign Your standard licence? Yes No

▶ If Yes, please provide a copy.

Do you ever lease software without issuing a licence? Yes No

Prior Insurance

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

1. declined a proposal, refused renewal or terminated an insurance? Yes No

2. required an increased premium or imposed special conditions? Yes No

3. declined an insurance claim by the Applicant 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

Has any claim been made against the Applicant 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

Has the Applicant 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
		\$	\$
		\$	\$
		\$	\$

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

Potential Claims

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

- | | | | |
|---|------------------------------|---|-----------------------------|
| 1. give rise to a claim against the Applicant 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"/> |
| 2. result in the Applicant 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, give details including maximum potential cost

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:

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

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

Vero Liability Insurance Limited

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