

SCHEDULE

CHUBB INSURANCE COMPANY
OF AUSTRALIA LIMITED
(A.B.N. 69 003 710 647)
A.F.S. Licence No: 239778
Herein called the Company

THIS COVERAGE SECTION PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD, OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENCE COSTS, AND DEFENCE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. PLEASE READ CAREFULLY.

Item 1. Limits of Liability

- (i) Maximum Aggregate Limit of Liability for all Insuring Clauses in this **Coverage Section**
 - (a) Each Loss \$

- (ii) **Investigation Representation Expense** Sub-Limit of Liability: \$10,000

- (iii) Corporate Liability Sub-Limit of Liability: \$

Please note that the Limits of Liability and any Deductible Amount are reduced or exhausted by **Defence Costs**. The Limits of Liability in Items 1(ii) and 1(iii) are sub-limits of liability. They are part of and not in addition to, the Limit of Liability set forth in Item 1(i) above. They further reduce, and do not increase, the Limit of Liability set forth in Item 1(i) above.

Item 2. Coverage is only available for the following if indicated by X:

- Optional Insuring Clause (C): Corporate Liability Coverage

Item 3. Deductible Amounts:

- (i) Insuring Clause (A) \$Nil
- (ii) Insuring Clause (B) \$
- (iii) Insuring Clause (C) \$
- (iv) Insuring Clause (D) \$Nil

Item 4. Pending and Prior Litigation Dates:

- (i) Insuring Clauses (A) and (B):
- (ii) Insuring Clause (C):
- (iii) Insuring Clause (D):

Item 5. Endorsement(s):

ForeFront Portfolio

Directors & Officers Liability Coverage Section

In consideration of payment of the premium and subject to the Schedule, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Section, the Company and the Insureds agree as follows:

I. INSURING CLAUSES

(A) Directors' and Officers' Liability Coverage

The Company shall pay on behalf of an **Insured Person** all **Loss** for which such **Insured Person** is not indemnified by the **Insured Organisation** and which such **Insured Person** becomes legally obligated to pay on account of any **D&O Claim** first made against him, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

(B) Company Reimbursement Coverage

The Company shall pay on behalf of the **Insured Organisation** all **Loss** for which the **Insured Organisation** grants indemnification to each **Insured Person**, as permitted or required by law, which such **Insured Person** has become legally obligated to pay on account of any **D&O Claim** first made against him, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

(C) Corporate Liability Coverage (Optional)

If the Corporate Liability Coverage is purchased as set forth in Item 2 of the Schedule for this **Coverage Section**, then the Company shall pay on behalf of the **Insured Organisation** all **Loss** which such **Insured Organisation** becomes legally obligated to pay on account of any **Insured Organisation Claim** first made against such **Insured Organisation** during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for **Wrongful Acts** occurring before or during the **Policy Period**.

(D) Investigation Representation Expense

The Company shall pay on behalf of an **Insured Person** any **Investigation Representation Expense** on account of any **Formal Investigation** first made against such **Insured Person** during the **Policy Period**, or, if exercised, during the Extended Reporting Period, in an amount not to exceed the **Investigation Representation Expense** Sub-Limit of Liability set forth in Item 1 (ii) of the Schedule for this **Coverage Section**, and subject to the applicable Deductible Amount set forth in Item 3 (iv) of the Schedule for this **Coverage Section**.

II. DEFINITIONS

Unless otherwise noted, as used in this **Coverage Section**, the singular of any definition includes the plural, and the plural of any definition includes the singular.

For purposes of this **Coverage Section**:

Claim means for purposes of coverage under:

- (a) Insuring Clauses (A) and (B), any **D&O Claim**;
- (b) Insuring Clause (C), any **Insured Organisation Claim**; and
- (c) Insuring Clause (D), any **Formal Investigation**.

D&O Claim means:

- (a) any of the following:
 - (i) a written demand by any person other than the **Insured** for monetary damages;
 - (ii) a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading;
 - (iii) a criminal proceeding commenced by a summons or charge; or
 - (iv) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against any **Insured Person** for a **Wrongful Act**, including any appeal therefrom;

Employee means any natural person whose labour or service is engaged and directed by the **Insured Organisation**, including part-time, seasonal, leased and temporary employees as well as volunteers. **Employee** shall not include any **Independent Contractor**.

Executive Officer means a person, by whatever name called and whether or not a director of the **Insured Organisation**, who is concerned or takes part in the **Insured Organisation's** management.

Formal Investigation means an administrative, regulatory or investigative inquiry, requiring the attendance of an **Insured Person**, in his or her **Insured Capacity**, conducted by a government body, professional body or other institution which is established or empowered by statute or other governmental power to investigate the affairs of the **Insured Organisation** or any **Insured Person**.

Independent Contractor means any natural person working for the **Insured Organisation** in the capacity of an independent contractor and pursuant to an **Independent Contractor Services Agreement**.

Independent Contractor Services Agreement means any express contract or agreement between an **Independent Contractor** and the **Insured Organisation** governing the nature of the **Insured Organisation's** engagement of such **Independent Contractor**.

Insured means the **Insured Organisation** and **Insured Persons**.

ForeFront Portfolio

Directors & Officers Liability Coverage Section

Insured Capacity means the position or capacity designated in the definition of **Insured Person** held by any **Insured Person** but shall not include any position or capacity in any organisation other than the **Insured Organisation**, even if the **Insured Organisation** directed or requested the **Insured Person** to serve in such other position or capacity, unless such position is approved by an Authorised Employee of the Company and included by endorsement attached to this **Coverage Section**.

Insured Organisation means collectively, those organisations designated in Item 1 of the Schedule for the General Terms and Conditions, and any **Subsidiary**.

Insured Organisation Claim means:

- (a) any of the following:
 - (i) a written demand by any person other than the **Insured** for monetary damages;
 - (ii) a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading; or
 - (iii) a criminal proceeding commenced by a summons or charge.against an **Insured Organisation** for a **Wrongful Act**, including any appeal therefrom.

Insured Person means any natural person who is or was a past, present or future:

- (a) director, secretary or **Executive Officer** of the **Insured Organisation** ;
 - (b) a person:
 - (i) who makes, or participates in making decisions that affect the whole, or a substantial part of the business of the **Insured Organisation**, or
 - (ii) who has the capacity to affect significantly the **Insured Organisation's** financial standing, or
 - (iii) in accordance with whose instructions or wishes the directors of the **Insured Organisation** are accustomed to act (excluding advice given by the person in the performance of functions attaching to the person's professional capacity or their business relationship with the directors of the **Insured Organisation**), or
 - (c) receiver and manager of property of the **Insured Organisation**;
 - (d) administrator, official manager or deputy official manager of the **Insured Organisation**;
 - (e) liquidator of the **Insured Organisation**;
 - (f) trustee or other person administering a compromise or arrangement made between the **Insured Organisation** and another person or persons; and
 - (g) **Employee** of the **Insured Organisation**.
- but does not include:
- (i) a receiver who is not also a manager;
 - (ii) a receiver and manager appointed by a court; or
 - (iii) a liquidator appointed by a court.

ForeFront Portfolio

Directors & Officers Liability Coverage Section

Investigation Representation Expense means reasonable legal fees, professional charges and expenses which an **Insured Person** is personally liable to pay (other than regular or overtime wages, salaries or fees of the directors, officers or **Employees** of the **Insured Organisation**) on account of a **Formal Investigation**.

Legal Representation Expenses means that part of **Loss** consisting of reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organisation**) incurred with the prior written consent of the Company (which shall not be unreasonably withheld) and arising out of the attendance by an **Insured Person** at a **Formal Investigation**.

Loss means the total amount which any **Insured** becomes legally obligated to pay on account of each **Claim** and for all **Claims** in each **Policy Period** and the Extended Reporting Period, if exercised, made against any **Insured** for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs, **Defence Costs** and **Legal Representation Expenses**. **Loss** does not include:

- (a) any amount not indemnified by the **Insured Organisation** for which an **Insured Person** is absolved from payment by reason of any covenant, agreement or court order;
- (b) any amount incurred by the **Insured Organisation** (including its board of directors or any committee of the board of directors) in connection with the investigation or evaluation of any **Claim** or potential **Claim** by or on behalf of the **Insured Organisation**;
- (c) taxes, fines or penalties imposed by law;
- (d) aggravated or exemplary damages imposed by law;
- (e) the multiple portion of any multiplied damage awarded outside Australia, or
- (f) matters uninsurable under the law pursuant to which this **Coverage Section** is construed.

Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, an environmental protection agency (including but not limited to the United States Environmental Protection Agency) or a country, state, territory, county, municipality or locality or counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odour, waste water, oil, oil products, infectious or medical waste, asbestos or asbestos products and any noise.

The Family means the estate, heirs, legal representatives, assigns, relatives (whether related by consanguinity or affinity) of any director, officer or shareholder (or the trustee or beneficiaries of any trust created or maintained by or for the benefit of such individuals or entities) of an **Insured Organisation**.

Wrongful Act means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by:

- (i) for purposes of coverage under Insuring Clauses (A) and (B) and (D): any **Insured Person** individually or otherwise in his or her **Insured Capacity** or any matter claimed against him or her solely by reason of serving in such **Insured Capacity**; or
- (ii) for purposes of coverage under Insuring Clause (C): the **Insured Organisation**.

ForeFront Portfolio
Directors & Officers Liability Coverage Section

III. EXCLUSIONS

Exclusions Applicable to All Insuring Clauses

(A) The Company shall not be liable for **Loss** on account of any **Claim** made against any **Insured Person** or the **Insured Organisation** :

- Prior Notice** (a) based upon, arising from, or in consequence of any circumstance, if written notice of such circumstance can be and has been given under any policy or section of which this **Coverage Section** is a renewal or replacement and if such prior policy or section affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**, in whole or in part, as a result of such notice;
- Prior & Pending Litigation** (b) based upon, arising from, or in consequence of a demand, suit, or other proceeding pending, or order, decree or judgment entered for or against any **Insured** on or prior to the applicable Pending or Prior Litigation Date as set forth in Item 4 of the Schedule for this **Coverage Section**, or the same or substantially the same facts underlying or alleged therein.
- Fiduciary** (c) based upon, arising from, or in consequence of any actual or alleged violation of the responsibilities, obligations or duties owed by fiduciaries, trustees, administrators or any others charged with duties with respect to any superannuation, pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any other form of benefits to employees of an **Insured Organisation**;
- Bodily Injury/ Property Damage** (d) for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property, whether or not it is damaged or destroyed, including loss of use thereof. However, this exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in an employment related **D&O Claim**;
- Professional Services** (e) based upon, arising from, or in consequence any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted in connection with the rendering of, or actual or alleged failure to render any professional services to third parties by the **Insured**;
- Major Shareholder** (f) brought or maintained by or on behalf of any individual or entity directly or beneficially owning 15% or more of the issued share capital or voting rights representing the present right to vote for election of directors of the **Insured Organisation**;
- Securities** (g) based upon, arising from or in consequence of a public or private offering, solicitation, sale, distribution or issuance of securities, whether or not a prospectus has been issued;

ForeFront Portfolio

Directors & Officers Liability Coverage Section

- Pollution** (h) based upon, arising from, or in consequence of (i) the actual, alleged or threatened discharge, release, escape, seepage, migration, dispersal or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or (ii) any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so; including but not limited to any **Claim** for financial loss to the **Insured Organisation**, its security holders or its creditors based upon, arising from, or in consequence of the matters described in (i) or (ii) of this exclusion;
- USA Claims** (i) brought and maintained, in whole or in part, in the **U.S.A.**, or subject to the substantive and procedural laws of the **U.S.A.**
- Family** (j) brought or maintained by or on behalf of any or all of the members of **The Family** including but limited to shareholder, derivative, class or representative action suits;
- Fraud** (k) based upon, arising from, or in consequence of the committing in fact of any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or duty imposed by law or regulation, by such **Insured Person** as evidenced by (i) any written statement or written document by any **Insured Person** or (ii) any judgment or ruling in any judicial, administrative or alternative dispute resolution proceeding;
- Insolvency** (l) for **Wrongful Acts** based upon, arising from, or in consequence of the **Financial Impairment** of the **Insured Organisation**; or
- Insured Organisation vs. Insured Person** (m) brought or maintained against any **Insured Person**, by or on behalf of the **Insured Organisation**. However, this exclusion shall not apply to:
- (i) **Defence Costs**;
 - (ii) a **Claim** brought in the name of the **Insured Organisation** by any individual or entity legally authorised to bring a **Claim** in the name of the **Insured Organisation**, provided that they are acting without the consent, solicitation or co-operation of any **Insured**; or
 - (iii) a **Claim** brought or maintained by the **Insured Organisation** for contribution or indemnification, if such **Claim** directly results from another **Claim** covered under this **Coverage Section**.
-

Exclusions Applicable to Insuring Clause A Only

(B) The Company shall not be liable for **Loss** on account of any **Claim** made against an **Insured Person**:

- Accounting for Profits** (a) for an accounting of profits made from the purchase or sale by such **Insured Person** of securities of the **Insured Organisation** where such **Insured Person** has improperly benefited as a result of information that is not available to other sellers or purchasers of such securities;

ForeFront Portfolio

Directors & Officers Liability Coverage Section

- Personal Profit** (b) based upon, arising from, or in consequence of such **Insured Person** having improperly used his position to (i) gain in fact any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled, (ii) to benefit or provide an advantage to someone other than the **Insured Organisation**; or (iii) to cause detriment to the **Insured Organisation** as evidenced by (a) any written statement or written document by any **Insured Person** or (b) any judgment or ruling in any judicial, administrative or alternative dispute resolution proceeding; or
- Improper Use of Information** (c) based upon, arising from, or in consequence of such **Insured Person** having improperly used information so as to cause detriment to the **Insured Organisation** as evidenced by (i) any written statement or written document by any **Insured Person** or (ii) any judgment or ruling in any judicial, administrative or alternative dispute resolution proceeding.
-

Exclusions Applicable to Insuring Clause C Only

(C) The Company shall not be liable for Loss on account of any **Insured Organisation Claim**:

- Contractual Liability** (a) based upon, arising from, or in consequence of any actual or alleged liability of an **Insured Organisation** under any written or oral contract or agreement provided that this Exclusion (C)(a) shall not apply to the extent that an **Insured Organisation** would have been liable in the absence of the contract or agreement;
- Employment Practices** (b) brought by any **Employee**, former **Employee** or prospective **Employee** based upon, or directly or indirectly arising out of or resulting from the employment relationship or the nature, terms or conditions of employment, including but not limited to claims of discrimination, harassment, wrongful discharge, denial of natural justice relating to wrongful discharge, or wrongful dismissal (whether actual, implied or constructive), breach of contract, employment-related defamation, workplace injury or workplace tort committed in the course of an **Employee's** employment, or any tort committed by an **Employee** or by which an **Employee** suffers loss or damage (whether as a result of personal injury, bodily injury, disability or otherwise) within the scope of that **Employee's** employment or otherwise;
- Discrimination** (c) based upon, arising from, or in consequence of any actual or alleged discrimination, denial of natural justice or sexual harassment of any third party;
- Defamation** (d) based upon, arising from, or in consequence of libel, slander, oral or written publication of defamatory or disparaging material, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, malicious use or abuse of process, assault, battery or loss of consortium;
- Copyright** (e) based upon, arising from, or in consequence of any actual or alleged infringement of copyright, patent, trademark, trade name, trade dress, service mark or misappropriation of ideas or trade secrets; or

ForeFront Portfolio

Directors & Officers Liability Coverage Section

- Trade Practices** (f) based upon, arising from or in consequence of the actual or alleged contravention or violation of the Trade Practices Act of 1974 (Australia), amendments thereto, or any other federal, country, state, territory, common or statutory law designed to prevent monopoly, preclude price fixing, price discrimination, predatory pricing or restraint of trade activities or otherwise protect competition.
-

IV. SEVERABILITY OF EXCLUSIONS

With respect to the exclusions in this **Coverage Section**, in order to determine if coverage is available:

- (a) no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**; and
 - (b) only facts pertaining to and knowledge possessed by any past, present or future chief financial officer, in-house general counsel, chief executive officer, chairman, president or managing director or equivalent thereof, of any **Insured Organisation** shall be imputed to any **Insured Organisation**.
-

V. PAYMENT OF LOSS

- (a) In the event of **Loss** arising from one or more **Claims** for which payment is otherwise due under this **Coverage Section** but which **Loss** in the aggregate exceeds the remaining available Limit of Liability for this **Coverage Section**, the **Company** shall:
 - (i) first pay such **Loss** for which coverage is provided under Insuring Clause (A) of this **Coverage Section**; then
 - (ii) with respect to whatever remaining amount of the Limit of Liability is available after payment of (i) above, pay such **Loss** for which coverage is provided under any other Insuring Clause of this **Coverage Section**.
 - (b) Subject to the provisions of paragraph (a) above, the **Company** shall, at the written request of the **Insured Organisation**, delay payment of **Loss** for which coverage is provided under any Insuring Clause other than Insuring Clause (A) until such time as the **Insured Organisation** designates. However, the **Company's** liability with respect to such delayed payment shall not be increased, and shall not include any interest as a result of such delay. The **Insured Organisation** shall provide written notice to the **Company** when such delayed payment shall be made. Such written notice shall be deemed consent from all **Insureds**, including all **Insured Persons**, to release such payment and the **Company** shall have no further obligation under this Policy with respect to such funds.
-

VI. COORDINATION OF COVERAGE

Any **Loss** covered under both this **Coverage Section** and the Employment Practices Liability **Coverage Section**, if purchased, shall be first covered under the Employment Practices Liability **Coverage Section**, subject to the terms, conditions and limitations therein. Any remaining portion of such **Loss** otherwise covered under this **Coverage Section** which is not paid under the Employment Practices Liability **Coverage Section** shall be covered under this **Coverage Section**, subject to its terms, conditions and limitations.
