

# Insurance Company Professional Indemnity Policy

## SCHEDULE

Herein called the Company

Item 1. **Principal Organisation:**  
(name and address)

Policy Number:

**This is a Claims Made Policy.** Except as otherwise provided herein, this **Policy** covers only **Claims** first made against the **Insured** during the **Policy Period**. Please read carefully.

Item 2. Limits of Liability:

(A) Each **Loss** \$  
(B) Aggregate Limit of Liability Each **Policy Period** \$

Note: The Limits of Liability and any Deductible Amount are reduced or exhausted by **Defence Costs**.

Item 3. Coverage Applicable

Unless "Covered" is inserted opposite a specified Insuring Clause, such Insuring Clause and any other reference thereto in this **Policy** shall be deemed to be deleted in their entirety.

Insuring Clause I.A. **Insurance Services** Professional Indemnity:  
Insuring Clause I.B. **Financial Services** Professional Indemnity:

Item 4. Coinsurance Percent: %

Item 5. Deductible Amount:

Insuring Clause I.A. **Insurance Services** Professional Indemnity \$  
Insuring Clause I.B. **Financial Services** Professional Indemnity \$

Item 6. **Policy Period:** From 4:00 P.M. on  
To 4:00 P.M. on  
Local time at the address shown in Item 1.

Item 7. Extended Reporting Period: (A) Additional Premium:  
(B) Additional Period:

Item 8. Pending or Prior Date:

Insuring Clause I.A. **Insurance Services** Professional Indemnity  
Insuring Clause I.B. **Financial Services** Professional Indemnity

Item 9. Endorsement(s) Effective at Inception:

Item 10. Termination of Prior Policy:

In witness whereof, the Company has caused this **Policy** to be signed by its Authorised Employee.

\_\_\_\_\_  
Authorised Employee

\_\_\_\_\_  
Date

---

In consideration of payment of the premium and subject to the Schedule, limitations, conditions, provisions and other terms of this **Policy**, the Company agrees as follows:

---

### ***Insuring Clauses***

***Insurance Services*** 1. A. The Company shall pay on behalf of the **Insured** all **Loss** which the **Insured** becomes legally obligated to pay as a result of any **Claim** first made against the **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period, arising out of any **Wrongful Act** committed, attempted, or allegedly committed or attempted, by the **Insured** or someone for whose acts the **Insured** are legally responsible, during or prior to the **Policy Period** while performing **Insurance Services** including the alleged failure to perform **Insurance Services**.

---

***Financial Services*** 1. B. The Company shall pay on behalf of the **Insured** all **Loss** which the **Insured** becomes legally obligated to pay as a result of any **Claim** first made against the **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period, arising out of any **Wrongful Act** committed, attempted, or allegedly committed or attempted by the **Insured** or someone for whose acts the **Insured** are legally responsible during or prior to the **Policy Period** while performing **Financial Services** including the alleged failure to perform **Financial Services**.

---

***Extended Reporting Period*** 2. If this **Policy** is terminated or not renewed for any reason, other than for non-payment of premium, the **Principal Organisation**, on behalf of the **Insured**, shall have the right, upon payment of the additional premium set forth in Item 7(A) of Schedule to this **Policy**, to an extension of the coverage granted by this **Policy** for the period set forth in Item 7(B) of the Schedule following the effective date of termination or non-renewal with respect to any **Claim** or **Claims** made during the Extended Reporting Period, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, by the **Insured** prior to the effective date of termination or non-renewal. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty (30) days following the effective date of termination or non-renewal. Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Period**.

If the Extended Reporting Period is purchased, the entire premium noted in Item 7(A) of the Schedule shall be deemed fully earned at the inception of the Extended Reporting Period.

---

***Exclusions*** 3. The Company shall not be liable to make any payment for **Loss** in connection with any **Claim** made against the **Insured**:

- (a) based upon, arising from or in consequence of any demand, suit or other proceeding pending, or order, decree or judgment entered against any **Insured** on or prior to the Pending or Prior Date set forth in Item 8. of the Schedule, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
- (b) based upon, arising from or in consequence of deliberate conflict of interest, dishonest, deliberately criminal or deliberately fraudulent act or omission, gaining any profit or advantage to which one is not legally entitled, or deliberate non-compliance with any statute or regulation on the part of the **Insured** or any person for whose actions the **Insured** are legally responsible, provided, however, that this exclusion shall not apply unless a judgment or other final adjudication adverse to the **Insured** establishes that such **Claim** was brought about or contributed to by any deliberate conflict of interest, dishonest or deliberately criminal or deliberately fraudulent act or omission, gaining any profit or advantage to which one is not legally entitled or deliberate non-compliance with any statute or regulation on the part of the **Insured** or any person for whose actions the **Insured** are legally responsible and provided that this exclusion shall not apply to a **Claim** for both fraud and bad faith in the handling and adjusting of **Claims**;
- (c) based upon, arising from or in consequence of (1) any **Wrongful Act** or any fact, circumstance or situation that has been the subject of notice under any policy of insurance in effect prior to the inception date of this **Policy**, or (2) any other **Wrongful Act**, whenever occurring, which together with a **Wrongful Act** that has been the subject of such notice would constitute **Interrelated Wrongful Acts**;
- (d) based upon, arising from or in consequence of:
  - (1) the insolvency, conservatorship, receivership, bankruptcy or liquidation of any banking firm, investment company, investment banker, broker or dealer in securities or commodities, insurance or reinsurance company, insurance or reinsurance agent, broker or intermediary, joint underwriting association, or other such organisations of a similar nature, or the failure to pay or suspension of payment by such entities; or
  - (2) the **Financial Impairment** of the **Insured Organisation**;
- (e) based upon, arising from or in consequence of any **Wrongful Act** of any **Insured** serving in the capacity as a fiduciary of a superannuation, pension, profit sharing, health and welfare or other employee benefit plan or trust sponsored or established by the **Insured Organisation** for the **Insured Persons**;
- (f) for discrimination, wrongful termination of employment, denial of natural justice relating to wrongful termination, disparagement, workplace and sexual harassment, invasion of rights of privacy, wrongful eviction or other invasion of private occupancy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault, battery;

- (g) for bodily injury, mental or emotional distress, sickness, disease, or death of any person, provided however, this exclusion shall not apply to a **Claim** based solely on the **Insured's** failure to provide **Insurance Services**;
- (h) for damage to or destruction of any tangible property including **Loss** of its use;
- (i) based upon, arising from or in consequence of:
  - (1) the actual, alleged or threatened discharge, release, escape, dispersal or disposal of **Pollutants** into or on real or personal property, buildings, water, land or atmosphere; or
  - (2) any direction or request that the **Insured** or others 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 any financial loss to the **Insured**, its security holders, its creditors or others based upon, arising from, or in consequence of the matters described in (1) or (2) of this exclusion; or

  - (3) the **Insured's** failure to provide **Insurance Services** or **Financial Services** to a customer relating to any of the matters described in (1) or (2) of this exclusion;
- (j) by, on behalf of, or at the behest of any **Insured** or by, on behalf of, or at the behest of any business enterprise which is operated, managed or owned, directly or indirectly, in whole or in part by any **Insured** provided, however, this exclusion shall not apply:
  - (1) where the claimant is an **Insured Person** and was allegedly provided with or entitled to be provided with **Insurance Services** or **Financial Services** and is bringing such **Claim** solely in his capacity as a customer of the **Insured Organisation**, and where such **Claim** is brought without the solicitation, assistance or participation of any other **Insured**; or
  - (2) to a **Claim** brought or maintained by an **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this **Policy**;
- (k) by, on behalf of, or at the behest of any person or concern (including but not limited to any shareholder, bondholder, policyholder or debenture-holder), their estate, heirs, legal representatives or assigns, with a legal or equitable interest in any stock, bond, debenture, or other form of security of the **Insured Organisation**, or any other ownership interest, when such **Claim** is based upon, arises out of, or pertains to any interest in said security, provided, however, that this exclusion shall not apply where the claimant is an **Insured Person** and was provided with or was entitled to be provided with **Insurance Services** or **Financial Services** and is bringing such **Claim** solely in his capacity as a customer of the **Insured Organisation**, and where such **Claim** is brought without the solicitation, assistance or participation of any other **Insured**;

- (l) based upon, arising from or in consequence of the non-renewal, cancellation, issuance of, or failure to issue any policy or contract or treaty of insurance, reinsurance, suretyship, annuity or endowment; or any decisions involving the classification, rates and premiums to insure or reinsure risks;
- (m) based upon, arising from or in consequence of any express representations, warranties or guarantees, estimates of property construction costs, or costs exceeding estimates made in connection with **Insurance Services** or **Financial Services**;
- (n) based upon, arising from or in consequence of any **Insured's** service as a director, officer, trustee, employee, participant or member of any entity, pool or association other than the **Insured Organisation**, even if directed or requested to serve such other entity;
- (o) based upon, arising from or in consequence of the adequacy or inadequacy of any **Claim** reserves of the **Insured** or of any entity to which the **Insured** provides **Insurance Services** or **Financial Services**;
- (p) by, on behalf of, or at the behest of, any reinsurer of any contract, risk or program of the **Insured**, provided, however, this exclusion shall not apply to any **Claim** brought by a reinsurer while in the capacity of a customer or prospective customer of the **Insured Organisation**, and where such **Claim** is brought without the solicitation, assistance or participation of any other **Insured**;
- (q) for any amounts which constitute benefits, coverage or amounts due or allegedly due, including any amount which constitutes interest thereon, from the **Insured** as:
  - (1) an insurer or reinsurer under any policy or contract or treaty of insurance, reinsurance, suretyship, annuity or endowment; or
  - (2) an administrator under any employee welfare benefit plan;
- (r) for any of the following activities:
  - (1) the underwriting, securitising, syndicating, promoting, or market making of any debt or equity security or other evidence of indebtedness, or any loan or other extension of credit, or any other similar investment banking activity; or
  - (2) the rendering of advice or recommendations regarding any actual, attempted or threatened merger, acquisition, divestiture, tender offer, proxy contest, leveraged buy-out, privatisation, insolvency proceeding, reorganisation, capital restructuring, re-capitalisation, spin-offs, primary or secondary offerings of debt or equity securities or other evidence of indebtedness, dissolution or sale of all or substantially all of the assets or stock of a business entity or any effort to raise or furnish capital or financing for any enterprise or entity; or

- (3) the rendering of a fairness opinion regarding the valuation of any assets or business entity not held by the **Insured** as trustee; or
- (4) any acquisition or sale of securities by the **Insured** for their own account;

or any disclosure requirements in connection with any of the foregoing;

- (s) based upon, arising from or in consequence of the liability of a party, other than the **Insured**, assumed by the **Insured** pursuant to contract, except liability for **Loss** that the **Insured** would have had in the absence of such contract;
- (t) based upon, arising from or in consequence of any **Insured** acting as a **Dealer**.

---

**Severability  
of Exclusions**

- 4. With respect to the exclusions in Section 3, no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available.

---

**Limit of Liability,  
Coinsurance,  
Deductibles**

- 5. All **Loss** arising out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** of the **Insured** shall be deemed one **Loss**, and such **Loss** shall be deemed to have originated in the earliest **Policy Period** in which a **Claim** is first made against the **Insured** alleging any such **Wrongful Act** or **Interrelated Wrongful Acts**.

The Company's maximum liability for each **Loss**, whether covered under Insuring Clause I.A. or Insuring Clause I.B. or both, shall be the Limit of Liability for each **Loss** set forth in Item 2(A) of the Schedule. The Company's maximum aggregate liability for all **Loss** on account of all **Claims** first made during the same **Policy Period**, whether covered under Insuring Clause I.A. or Insuring Clause I.B. or both, shall be the Limit of Liability for each **Policy Period** set forth in Item 2(B) of the Schedule.

The Company's liability under Insuring Clause I.A. or Insuring Clause I.B. or both shall apply only to that part of each **Loss** which is excess of the applicable Deductible Amount set forth in Item 5. of the Schedule.

The Deductible Amount shall apply to each and every **Claim** (including **Defence Costs**) and such Deductible Amount shall be borne by the **Insured** uninsured and at their own risk.

With respect to all **Loss** (excess of the Deductible Amount) originating in any one **Policy Period**, the **Insured** shall bear uninsured that percent of all such **Loss** specified as the Coinsurance Percent in Item 4. of the Schedule, and the Company's liability hereunder shall apply only to the remaining percent of all such **Loss**.

In the event that more than one **Insured** is included in the same **Claim**, the total amount of the available Aggregate Limit of Liability shall be apportioned in proportion to their respective **Loss**.

The Limit of Liability available during the Extended Reporting Period, if exercised, shall be the remaining portion, if any, of the Aggregate Limit of Liability provided by the immediately preceding **Policy Period**.

---

***Defence and Settlement***

6. It shall be the duty of the **Insured** and not the duty of the Company to defend **Claims** made against the **Insured**.

The **Insured** shall have the sole obligation under this **Policy** to retain defence counsel, which shall be subject to the approval of the Company, which approval shall not be unreasonably withheld.

The **Insured** agrees not to settle any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission of liability to which it has not consented.

The Company shall have the right and shall be given the opportunity to effectively associate with the **Insured** in the investigation, defence and settlement, including but not limited to the negotiation of a settlement, of any **Claim** that appears reasonably likely to be covered in whole or in part by this **Policy**.

The **Insured** agrees to provide the Company with all information, assistance and co-operation which the Company reasonably requests and agrees that, in the event of a **Claim**, the **Insured** will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

**Defence Costs** are part of and not in addition to the Limits of Liability set forth in Item 2. of the Schedule for this **Policy**, and the payment by the Company of **Defence Costs** reduces such Limits of Liability.

---

***Allocation and Advancement of Defence Costs***

7. If both **Loss** covered by this **Policy** and **Loss** not covered by this **Policy** is incurred, either because a **Claim** against the **Insured** includes both covered and uncovered matters or because a **Claim** is made against both **Insured** and others, the **Insured** and the Company shall allocate such amount between covered **Loss** and uncovered **Loss** based upon the relative legal exposures of such parties to such matters.

If the **Insured** and the Company agree upon an allocation of **Defence Costs**, the Company shall advance on a current basis **Defence Costs** allocated to covered **Loss**.

If the **Insured** and the Company cannot agree on an allocation:

- (a) no presumption as to what allocation should be made shall exist in any arbitration, suit or other proceeding;
- (b) the Company shall advance on a current basis **Defence Costs** which the Company believes to be covered under this **Policy** until a different allocation is negotiated, arbitrated or judicially determined; and

- (c) the Company, if requested by the **Insured**, shall submit the dispute to arbitration. Subject to agreement between the parties, the arbitration panel shall consist of one arbitrator selected by the **Insured**, and one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators.

Any negotiated, arbitrated or judicially determined allocation of **Defence Costs** on account of a **Claim** shall be applied retroactively to all **Defence Costs** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defence Costs** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

---

**Reporting and  
Notice**

8. The **Insured** shall, as a condition precedent to exercising their rights under this **Policy**, give to the Company written notice as soon as practicable, but in no event later than ninety (90) days after the termination of the **Policy Period**, of any **Claim** made against the **Insured** for a **Wrongful Act**.

If any **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company during the **Policy Period**, then any **Claims** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period** in which the circumstances were first reported to the Company.

The **Insured** shall, as a condition precedent to exercising their rights under this **Policy**, give to the Company such information and co-operation as it may reasonably require, including but not limited to:

- (1) a description of the **Claim** or circumstances;
- (2) the nature and date of the alleged **Wrongful Act**;
- (3) the nature of the alleged or potential damage;
- (4) the names of actual or potential claimants and any **Insured** involved in the alleged **Wrongful Act**; and
- (5) the manner in which the **Insured** first became aware of the **Claim** or circumstances.

---

**Notice**

9. Notice to the Company under this **Policy** shall be given in writing addressed to:

Notice of **Claim**:  
Claims Department Manager  
Chubb Insurance Company of Australia Limited  
Level 36, Tower Building, Australia Square  
264-278 George Street  
SYDNEY NSW 2000

All Other Notices:  
Manager - Department of Financial Institutions  
Chubb Insurance Company of Australia Limited  
Level 36, Tower Building, Australia Square  
264-278 George Street  
SYDNEY NSW 2000

Such notice shall be effective on the date of receipt by the Company at such address.

---

**Estates and  
Legal  
Representatives**

10. Coverage shall extend to **Claims** for the **Wrongful Acts** of **Insured Persons** made against the estates, heirs, legal representatives or assigns of **Insured Persons** who are deceased or against the legal representatives or assigns of **Insured Persons** who are incompetent, insolvent or bankrupt.

---

**Other Insurance**

11. If any **Loss** arising from any **Claim** made against any **Insured** is insured under any other valid policy then, to the extent to which it is permitted by the Insurance Contracts Act 1984, coverage is only provided under this **Policy** subject to its limitations, conditions, provisions and terms for such **Loss** excess of the coverage provided by any other policies whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this **Policy**. It is understood that this **Policy** provides coverage primary of any reinsurance purchased by the **Insured** and the Company will not assert subrogation rights against the **Insured's** reinsurers.

---

**Changes in  
Exposure  
Acquisition or  
Creation of  
Another  
Organisation**

12. If (a) the **Insured Organisation**, after the inception date of this **Policy**, acquires securities or voting rights in another organisation or creates another organisation, which as a result of such acquisition or creation becomes a **Subsidiary**, or (b) acquires any organisation by merger into or consolidation with the **Insured Organisation**, coverage shall apply to such organisation under this **Policy** but only with respect to **Wrongful Acts** committed, attempted, or allegedly committed or attempted, after such acquisition or creation unless the Company agrees, after presentation of a complete proposal and all appropriate information, to provide coverage by endorsement for **Wrongful Acts** committed, attempted, or allegedly committed or attempted, prior to such acquisition or creation.

If (a) the fair value of the assets of the acquired or created organisation exceeds 15% of the total assets of the **Insured Organisation** as reflected in the **Principal Organisation's** most recent audited consolidated financial statements, or (b) the value of the fiduciary assets under management by the acquired or created organisation exceeds 15% of the total fiduciary assets under management of the **Insured Organisation** as reflected in the **Principal Organisation's** most recent audited consolidated financial statements, the **Principal Organisation** shall give written notice of such acquisition or creation to the Company as soon as practicable together with such information as the Company may require and shall pay any reasonable additional premium required by the Company and be subject to any different limitations, conditions, provisions or other terms as the Company deems appropriate.

---

**Acquisition of  
Principal  
Organisation by  
by Another  
Organisation**

13. If (a) the **Principal Organisation** merges into or consolidates with another organisation, or (b) another organisation or person or group of organisations and/or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organisation(s) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the **Principal Organisation**, or (c) the **Insured Organisation** completely

ceases to actively engage in its primary business ("cessation"), or (d) the **Financial Impairment** of the **Insured Organisation** occurs, coverage under this **Policy** shall continue until termination of this **Policy**, but only with respect to **Claims** for **Wrongful Acts** committed, attempted, or allegedly committed or attempted, by the **Insured** prior to such merger, consolidation, acquisition, cessation or **Financial Impairment**. The **Principal Organisation** shall give written notice of such merger, consolidation, acquisition, cessation or **Financial Impairment** to the Company as soon as practicable and shall provide such information as the Company may require. The full annual premium, including any instalments due for the **Policy Period** shall be deemed fully earned immediately as of the effective date of any event outlined in (a) through (d) above.

---

*Cessation of Subsidiaries*

14. In the event an organisation ceases to be a **Subsidiary**, before or after the inception date of this **Policy**, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this **Policy** or any renewal thereof but only with respect to **Claims** for **Wrongful Acts** committed, attempted or allegedly committed or attempted prior to the date such organisation ceased to be a **Subsidiary**.

---

*Representations and Proposal Form*

15. It is agreed by the **Insured** that the particulars and statements contained in the Proposal Form and the attachments and materials submitted with the Proposal Form, which shall be retained on file by the Company and shall be deemed attached hereto as if physically attached hereto, are true and are the basis of this **Policy** and are to be considered as incorporated in and constituting a part of this **Policy**. It is further agreed by the **Insured** that such particulars and statements are material to the decision to issue this **Policy** and that the **Policy** is issued in reliance upon the truth of such particulars and statements.

Such written proposal for coverage shall be construed as a separate proposal for coverage by each **Insured**. With respect to the declarations and statements used in such written proposal for coverage, no statement in the proposal form or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available. Only facts known to and knowledge possessed by any past, present or future Chief Financial Officer, Chairman, Managing Director, or equivalent thereof, of any **Insured Organisation** shall be imputed to any **Insured Organisation** to determine if coverage is available.

---

*Investigation and Settlement*

16. The Company may make any investigation it deems necessary and may, with the written consent of the **Principal Organisation**, on behalf of the **Insured**, which consent shall not be unreasonably withheld, make any settlement of a **Claim** it deems expedient.

---

*Subrogation*

17. In the event of any payment under this **Policy**, the Company shall be subrogated, to the extent of such payment, to all the **Insured's** rights of recovery, and the **Insured** shall execute all papers required and shall do

everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring suit in the name of the **Insured**.

The Company agrees to waive any rights of subrogation against any **Insured Person** except (a) in respect of any liability arising from or contributed to by any dishonest, deliberately criminal, deliberately fraudulent act or omission, gaining any profit or advantage to which one is not legally entitled on the part of any **Insured Person**; and/or (b) where such **Insured Person** is entitled to indemnity in respect of the **Claim** under any other insurance effected by him or on his behalf, but only to the extent of the indemnity granted by such policy.

---

***Bankruptcy or  
Insolvency***

18. Bankruptcy or insolvency of an **Insured** or the estate of an **Insured Person** shall not relieve the Company of its obligations nor deprive the Company of its rights under this **Policy**.

---

***Authorisation  
Clause***

19. By acceptance of this **Policy**, the **Principal Organisation** agrees to act on behalf of all **Insured** with respect to the giving and receiving of notice of **Claim** or termination, cancellation, non-renewal, payment of premiums, receiving any return premiums that may become due under this **Policy**, negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this **Policy**, and the **Insured** agree that the **Principal Organisation** shall act on their behalf.

---

***Alteration or  
Assignment***

20. No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by a written endorsement to this **Policy** which is signed by an Authorised Employee of the Company.

---

***Termination of  
Policy***

21. This **Policy** shall terminate at the earliest of the following times:
- (a) thirty (30) days after the receipt by the **Principal Organisation** of a written notice of termination from the Company in accordance with the Insurance Contracts Act 1984, except in the case of termination for non-payment of premium, in which case it will be fourteen (14) days after receipt of a written prior notice or, if a later time is specified in such notice, at such later time;
  - (b) upon receipt by the Company of written notice of termination from the **Principal Organisation**;
  - (c) upon expiration of the **Policy Period** as set forth in Item 6 of the Schedule; or
  - (d) at such other time as may be agreed upon by the Company and the **Principal Organisation**.

The Company shall refund the unearned premium computed at customary short rates if the **Policy** is terminated by the **Principal Organisation**. Under any other circumstances, the refund shall be computed pro rata.

---

**Valuation and  
Foreign Currency**

22. All premiums, limits, deductibles, **Loss** and other amounts under this **Policy** are expressed and payable in the currency of the Commonwealth of Australia. If judgment is rendered, settlement is denominated or another element of **Loss** under this **Policy** is stated in a currency other than Australian dollars, payment under this **Policy** shall be made in Australian dollars at the rate of exchange published in the *Australian Financial Review* on the date the final judgment is entered, the amount of the settlement is agreed upon or the other element of **Loss** is due, respectively.

---

**Territory, Choice  
of Law and  
Jurisdiction**

23. Coverage shall extend to **Claims** anywhere in the world.
- The construction, interpretation and meaning of the provisions of this **Policy** shall be determined in accordance with the law of the Commonwealth of Australia, and any disputes relating thereto shall be submitted to the exclusive jurisdiction of the courts of the Commonwealth of Australia.

---

**Definitions**

24. When used in this **Policy**:

**Claim** means:

- (1) a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading; or
- (2) a criminal proceeding commenced by a summons or charge; or
- (3) a formal administrative or regulatory proceeding brought by or on behalf of policyholders or customers commenced by the filing of a notice of charges, formal investigative order or similar document;

brought by or on behalf of a customer of the **Insured** against any **Insured** for a **Wrongful Act**, including any appeal therefrom.

A **Claim** shall be deemed to have been made against the **Insured** on the date that the proceeding is served upon any **Insured** in any country, territory, state, provincial or federal court or administrative agency, or the date any **Insured** received first written notice regarding the filing of a notice of charges, formal investigative order or similar document from a country, territory, state, provincial or federal regulatory agency.

**Dealer** means a public corporation acting as a dealer in accordance with Section 9, Part 1.2, Division 1, Chapter 1 of the Corporations Act (Cth) 1989 and amendments thereto, or any similar provisions of any federal, country, state, territory or local statutory law or common law anywhere in the world.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to legal counsels' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organisation**) incurred in defending or investigating **Claims** and the premium for appeal, attachment or similar bonds.

**Financial Impairment** means the status of the **Insured Organisation** resulting from (1) the appointment by any country, state, territory or federal official, agency or court of any receiver, administrator, conservator, liquidator, trustee, manager, rehabilitator or similar official to take control of, supervise, administer, manage or liquidate the **Insured Organisation**, or (2) the **Insured Organisation** becoming a debtor in possession.

**Financial Services** means only those services performed or required to be performed by or on behalf of the **Insured** for or on behalf of a customer of the **Insured**, pursuant to an agreement between such customer and the **Insured** for a fee, commission or other monetary consideration or other remuneration which inures to the benefit of the **Insured**, provided, however, that **Financial Services** shall not include:

- (1) managed care; medical or health care services; real estate appraisal, development or management services; architectural or construction management services; the practice of law or the rendering of legal services; or
- (2) services performed by any entity of which the **Insured** shall have acquired ownership or control as security for a loan or other extension of credit; or
- (3) services included in the definition of **Insurance Services**.

**Insurance Services** means only those services rendered or required to be rendered by or on behalf of the **Insured** solely in the conduct of the **Insured's** claims handling and adjusting; insurance risk management, safety engineering, inspection and loss control operations; personal injury rehabilitation operations; salvage operations; recovery subrogation services; premium financing operations; actuarial consulting services; or insurance pool management, provided, however, that **Insurance Services** shall not include:

- (1) managed care; medical or health care services; real estate appraisal, development or management services; architectural or construction management services; the practice of law or the rendering of legal services; or
- (2) services performed by any entity of which the **Insured** shall have acquired ownership or control as security for a loan or other extension of credit; or
- (3) services included in the definition of **Financial Services**.

**Insured**, either in the singular or the plural means the **Insured Organisation** and the **Insured Persons**, or any one of them.

**Insured Persons** means any past, present or future director, officer or employee of the **Insured Organisation** in his/her capacity as a director, officer or employee of the **Insured Organisation**.

**Insured Organisation** means the **Principal Organisation** and any **Subsidiary**.

**Interrelated Wrongful Acts** means all causally connected **Wrongful Acts**.

**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 the **Insured** for **Wrongful Acts** for which coverage applies, including, but not limited to, compensatory damages, punitive or exemplary damages, multiplied damages, judgments, settlements, costs and **Defence Costs**. **Loss** does not include:

- (1) regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organisation**;
- (2) loss of actual money, securities, property or other items of value in the custody or control of the **Insured**; or diminution in value or damages resulting from the diminution in value of money, securities, property or any other item of value unless caused by a **Wrongful Act** of the **Insured** in the execution or implementation of investment advice or investment decisions;
- (3) fines or penalties imposed by law or any other matters or sanctions which may be deemed uninsurable under the law pursuant to which this **Policy** shall be interpreted;
- (4) any amounts which constitute premiums; fees and charges; return or refund of premiums; commissions or taxes; or **Loss** arising out of any commingling of funds; or
- (5) principal, interest, or other moneys either paid, accrued or due as the result of any loan, lease or extension of credit.

**Policy** means the Schedule, proposal, (including all attachments and materials submitted with the proposal), **Policy** sections 1 through 24 inclusive, and any endorsements or amendments thereto.

**Policy Period** means the period of time specified in Item 6. of the Schedule, subject to prior termination in accordance with Section 21. Regardless of whether this period is less than, equal to or greater than one year, the Limits of Liability specified in Item 2. of the Schedule shall be the Company's maximum limit of liability under this **Policy** for the entire period. If the Extended Reporting Period is exercised, it shall be part of the **Policy Period** and not an additional **Policy Period**.

**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, territory, state, county, municipal or local 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 or oil products, infectious or medical waste, asbestos or asbestos products and any noise.

**Principal Organisation** means the entity that is named in Item 1. of the Schedule, as legally constituted at the inception date of this Policy.

**Subsidiary**, either in the singular or plural, means:

- (a) any organisation whose accounts are or were consolidated into the accounts of the **Principal Organisation** in accordance with Australian Accounting Standard AASB 1024: Consolidated Accounts or any successor Standard; or
- (b) any organisation in which one or more **Insured Organisation(s)**
  - (1) controls or controlled the composition of the organisation's board;
  - (2) is or was in a position to cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the organisation; or
  - (3) holds or held more than 50% of the issued share capital of the organisation (excluding any part of the issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) any organisation in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors, is or was owned or controlled, directly or indirectly, in any combination, by one or more **Insured Organisation(s)**.

**Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, breach of trust or breach of duty committed, attempted, or allegedly committed or attempted, by the **Insured**, or someone for whose acts the **Insured** are legally responsible, which arises solely from the **Insured**, or someone for whose acts the **Insured** are legally responsible, performing **Insurance Services** or **Financial Services**, including the alleged failure to perform **Insurance Services** or **Financial Services**.