



Directors & Officers Insurance

PROPOSAL FORM

Important Notices

Claims-Made Insurance

This policy, issued by American Home Assurance Company, contains coverage on a claims-made and notified basis. This means that the policy only covers Claims (as defined) first made against you after the Inception Date (as defined) and notified to the insurer as soon as practicable after you first became aware of such Claim. The policy does not provide cover for any Claims made against you after the Inception Date if at any time prior to the Inception Date you became aware of facts which might give rise to those Claims being made against you.

This policy does not cover Claims arising out of, based upon or attributable to:
the facts alleged, or the same or related Wrongful Acts (as defined) alleged or contained in any Claim which has been or could have been reported, or circumstances of which notice has been given or could have been given under (i) any policy of which this policy is a renewal or replacement or which it may succeed in time; or (ii) any other management liability policy; or

any pending or prior litigation as of the Continuity Date, or alleging or derived from the same or essentially the same facts as alleged in the pending or prior litigation. For the purposes of this exclusion, the term 'litigation' shall include, but not be limited to, any civil or criminal proceeding as well as any administrative or regulatory proceeding or official investigation or arbitration or adjudication.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

However, your duty of disclosure does not require you to disclose matters:

- that diminish the risk to be undertaken by the insurer;
- that are of common knowledge;
- that your insurer knows, or in the ordinary course of its business, ought to know;
- as to which compliance with your duty of disclosure is waived by the insurer.

Your duty of disclosure continues after the proposal form has been completed up until the Inception Date of the policy.

Consequences of Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a Claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Subrogation

This policy contains provisions which have the effect of excluding or limiting the insurer's liability in respect of a loss where you have prejudiced the insurer's rights of subrogation where you are a party to an agreement which excludes or limits insurer's rights to recover the loss from another party. You are hereby notified of the effect of these provisions.

General

Please read this proposal and the policy carefully. A reference to "Company" in the proposal means the Principal Entity and all of its Subsidiaries. The terms "Subsidiary", "Director or Officer", "Outside Entity" and "Claim" have the definitions attributed to them in the policy.

Details of Proposer

Name of Company: _____

Address of Head Office: _____

Country or State of Registration: _____

Company's Website Address: _____

How long has the Company continually carried on business? _____

Describe the Business Activities of the Company and its Subsidiaries and attach any relevant marketing materials:

During the last (3) years has:

- | | |
|---|----------|
| a) the name of the Parent Company changed? | YES / NO |
| b) any acquisition or merger involving the Company taken place? | YES / NO |
| c) any Subsidiary of the Company been sold or ceased trading? | YES / NO |
| d) the capital structure of the Parent Company changed? | YES / NO |

If the answer to any of the above is "Yes", please provide details

Has the Company any acquisition, tender offer or merger pending or under consideration? YES / NO

Is the Company aware of any proposal relating to its acquisition by another company? YES / NO

Is the Company intending a new public offering of securities within the next year in Australia or elsewhere?
 YES / NO

If the answer to any of the above is "Yes", please provide details

Is the Company or any of its Subsidiaries:

- | | |
|---|----------|
| a) Private? | YES / NO |
| b) Public? | YES / NO |
| c) Listed on the Port Moresby Stock Exchange? | YES / NO |
| d) Listed on any foreign stock exchanges? | YES / NO |

If "Yes", please specify

- | | |
|---|----------|
| e) Listed on any unlisted securities market or exempt stock exchange? | YES / NO |
| f) Traded in any other way? | YES / NO |

If "Yes", please specify

Do you have Financial Statements for the Company which have been externally audited or reviewed in the last 12 months? YES / NO

If "Yes", please complete the following questions based upon the Companies financial statements:

Current Assets:	K _____
Total Assets:	K _____
Current Liabilities:	K _____
Total Liabilities:	K _____
Shareholders/Owners Equity:	K _____
Turnover:	K _____
Profit / Loss:	K _____

Since the date of the latest Financial Statements attached to this proposal, have there been any developments which adversely impact the financial position of the Company? YES / NO

Is any proposed director or officer aware of facts or circumstances that might affect the ability of the Company to meet all its debts as and when they fall due? YES / NO

If the answer to any of the above is "Yes", please provide details

Does the Company or its Subsidiaries have any assets or business activities in the USA? YES / NO

If "Yes", please complete our North American Supplementary Questionnaire.

Does the Company or any of its subsidiaries currently conduct or intend to conduct any business activities from a permanent location outside Australia? YES / NO

If "Yes", please provide a list of each country in which assets are or are to be located or business activities are or are to be conducted:

Please list:

- a) Total number of shareholders: _____
- b) Total number of shares issued: _____
- c) Total number of shares held by Directors and Officers (both directly & beneficially): _____
- d) All holdings representing 5% or more of the Company's voting share capital: _____

Is the Company a Subsidiary of another Entity? YES / NO

Have any Directors or Executive Officers of the Company resigned or been replaced in the past 12 months? YES / NO

If "Yes", please advise who and why

Please provide a complete list of all Subsidiary Companies including country of registration and percentage (%) owned by the Parent Company other than those shown in the latest Annual Report and Financial Statements attached to this proposal.

Please also provide a complete corporate structure diagram.

Note: special terms and conditions may apply to any Investment Vehicles being:

- a) any off balance sheet entity whose revenue primarily consists on the return on investments (including a special purpose vehicle or structured investment vehicle); or
- b) any fund, managed investment scheme or trust, in which a person (including an entity) other than the Company (whether directly or indirectly) has a legal or beneficial interest?

Insurance Details

Does the Company or any of its Subsidiaries have Directors & Officers Liability Insurance currently in force?
YES / NO

If "Yes", please state:

Insurer: _____

Policyholder: _____

Limit of Liability: K _____

Is Company Securities Cover Provided: YES / NO

Expiry Date: _____

Has the Company or any of its Subsidiaries ever had an insurer decline a proposal, impose any special terms, cancel or refuse to renew a Directors & Officers Liability Insurance policy?
YES / NO

If "Yes", please give details:

Accounting Practices

Has the Company changed its external auditor in the past 5 years? YES / NO

If "Yes", please advise the firms involved and why?

Does the Company intend to change its external auditor in the next 12 months? YES / NO

If "Yes", please advise why?

Have all the revenue recognition practices used by the Company been approved by its external auditor?
YES / NO

If "No", please provide details

Since the date of the latest Financial Statements attached to this proposal, has the Company or its Subsidiaries or any of their Directors and Officers entered into any related-party transactions? YES / NO

If "Yes", please provide details

Has the Company ever re-stated its financial results? YES / NO

If "Yes", please provide details

Does the Company anticipate incurring a significant one-time change to earnings, or having to re-state earnings, in the next 12 months? YES / NO

If "Yes", please provide details

Does the Company have written corporate policies as regards the ability of Directors, Officers and Employees to purchase or sell the Company's shares, including the ability to exercise share options? YES / NO

If "Yes", please provide details

Outside Directorships

Do any of the Directors or Officers of the Company serve, at the specific request or direction of the Company, as a director or officer, trustee (except a pension or superannuation trustee), governor or equivalent of any entities which are not Subsidiaries? YES / NO

If "Yes", and you would like this policy to provide cover for those board positions, please complete the Schedule of Outside Directorships attached to this proposal

Note: If we agree to provide cover for an Outside Directorship, the cover will apply in excess of any indemnity from the Outside Entity and in excess of any cover provided under the Outside Entity's insurance policies.

Claims Information

Enquires should be made of all appropriate staff before answering the following three questions

Has there ever been, or is there now pending, a claim against any Directors or Officers in their capacity as Directors or Officers of the Company or its Subsidiaries? YES / NO

Is the Company aware of any facts which might give rise to a claim being made against any Directors or Officers in their capacity as Directors or Officers of the Company or its Subsidiaries? YES / NO

Has any Director or Officer of the Company or its Subsidiaries ever been subject to any prosecution, disciplinary action, been fined or penalised, or been the subject of an inquiry or investigation in their capacity as a Director or Officer of any company? YES / NO

If the answer is "Yes" to any of the above questions, please provide details by attachment.

Company Securities Insurance

This is a separate policy designed specifically to cover the Company for claims made against it arising out of the sale or purchase of the Company's securities.

Note: Company Securities Insurance is not available as a standalone product. It is offered as a 'companion' to the D & O policy.

Would you like a quotation for this Policy? YES / NO

Optional Cover

Lifeboat Protection

This Optional Extension provides a separate excess limit for the Company's board for unrelated claims or circumstance

Would you like a non-binding quotation for this Extension? YES / NO

Additional Coverage

Employment Practices Liability

This is available as an Endorsement designed to cover the Company and its Directors, Officers and Employees for employment-related claims.

Would you like a non-binding quotation for this Policy? YES / NO

If "Yes", please complete our Employment Practice Liability Proposal Form.

Prospectus Liability

This is a separate policy specifically designed to cover the Company and its Directors, Officers and Employees for claims made against them in respect of a specific prospectus.

Would you like a non-binding quotation for this Policy? YES / NO

If "Yes", please complete our Prospectus Liability Proposal Form.

Declaration

We declare that we have made all necessary enquiries into the accuracy of the responses given in this proposal and confirm that the statements and particulars in this proposal are true and complete and that no material facts have been omitted, misstated or suppressed. We agree that should any of the information given by us alter between the date of this proposal and the inception date of the insurance to which this proposal relates, we will give immediate notice thereof to the insurer.

We acknowledge receipt of the **Important Notices** contained in this proposal and that I have read and understood the content of that Notice.

We confirm that we are authorised by the Company and its directors to complete, sign and submit this proposal on behalf of the Company and its directors.

Signed on behalf of :

**The Insured Persons (D&O Insurance) The Company (Company Securities Insurance)
(To be signed by the Chairman and an Executive Officer)**

Name: _____

Title: _____

Signature:

Date: _____

Name: _____

Title: _____

Signature:

Date: _____

Schedule of Outside Entities

Name of Outside Entity	Does the Outside Entity provide an Indemnity for the Outside Directorships?	Does the Outside Entity have current D&O Insurance?	Who is the D&O Insurer?	What is the D&O Policy Limit?	What is the D&O Policy Number?