



**ForeFront Portfolio**  
**Directors & Officers Liability Coverage Section**

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**SCHEDULE**

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

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**THIS COVERAGE SECTION PROVIDES CLAIMS MADE COVERAGE WHICH APPLIES ONLY TO  
'CLAIMS' FIRST MADE DURING THE 'POLICY PERIOD', OR ANY EXTENDED REPORTING PERIOD**

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<b>Item 1.</b>	Limit of Liability for this Coverage Section:		\$
	<b>Pollution Defence Costs</b>		
	Sub limit:	(a) Each Loss	\$1,000,000
		(b) Each Policy Period	\$1,000,000
	<b>Pecuniary Penalties</b>		
	Sub limit:	(c) Each Loss	\$500,000
		(d) Each Policy Period	\$500,000
	<b>Attendance Compensation</b>		
	Sub limit:	(e) Each Attendance	\$150 per day
		(f) Each Policy Period	\$10,000
	Dedicated Additional Limit of Liability for Executives		\$ aggregate
<b>Item 2.</b>	Deductibles:		
	(i) Insuring Clause (A)		Nil
	(ii) Insuring Clause (B)		\$
	(iii) Insuring Clause (C)		\$
	(iv) Insuring Clause (D)		\$
	(v) Insuring Clause (E)		\$
<b>Item 3.</b>	Pending or Prior Litigation Dates:		
	(i) Insuring Clauses (A), (B) (C) and (E):	Date	
	(ii) Insuring Clause (D):	Date	
<b>Item 4.</b>	Endorsement(s):		



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In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the Insured agree as follows:

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**I. INSURING CLAUSES**

**(A) Executive Liability Coverage**

The Company shall pay, on behalf of each **Insured Person**, **Loss** for which the **Insured Person** is not indemnified by an **Organisation** on account of any **Executive Claim** first made 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 an **Organisation**, **Loss** for which the **Organisation** grants indemnification to each **Insured Person**, as permitted or required by law, on account of any **Executive Claim** first made during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

**(C) Legal Representation Expenses**

The Company shall pay, on behalf of each **Insured Person**, **Legal Representation Expenses** on account of any **Formal Investigation** commenced during the **Policy Period**.

**(D) Corporate Liability Coverage**

The Company shall pay on behalf of an **Organisation**, **Loss** on account of any **Organisation Claim** first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

**(E) Compensation for Court Attendance and Staff Disruption**

The Company shall pay on behalf of an **Organisation**, **Attendance Compensation** on account of any **Attendance** of an **Insured Person**.

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**II. EXTENSIONS**

**(A) Advancement of Defence Costs and Legal Representation Expenses**

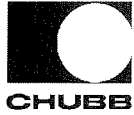
The Company shall, prior to the final disposition of any **Executive Claim**, advance **Defence Costs** or **Legal Representation Expenses** as provided under this **Coverage Section**, within thirty (30) days of receipt of an invoice for same from defence counsel.

Any advancement of **Defence Costs** or **Legal Representation Expenses** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** or **Legal Representation Expenses** are not insured under this **Coverage Section**.

**(B) Pecuniary Penalties**

Coverage shall extend to **Pecuniary Penalties** on account of any **Executive Claim** made against an **Insured Person** up to the amount of the sub-limit in Item 1 of the Schedule.

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**(C) Outside Directorships**

Coverage shall extend to any **Outside Directorship**.

Coverage for any **Outside Entity** shall:

- (i) not be available to the **Outside Entity** in which such **Outside Directorship** is held or to any of the other directors, officers or employees of such **Outside Entity**;
- (ii) be specifically excess of:
  - (a) any policies listed in the **Proposal** for the **Outside Entity**;
  - (b) any other policy; and
  - (c) any indemnity available from the **Outside Entity** to such **Insured Person** by reason of serving in such **Outside Directorship**.

If any **Executive Claim** made against an **Insured Person** due to an **Outside Directorship** is insured under any other policy issued by the Company, its parent, a subsidiary or affiliate, then payment under such policy on account of an **Executive Claim** also covered under this **Coverage Section** shall reduce by the amount of the payment, the Company's Limit of Liability under this policy with respect to such **Executive Claim**.

**(D) Occupational Health & Safety Defence Costs & Legal Representation Expenses**

Notwithstanding Exclusion IV. (A) (iv), Bodily Injury and Property Damage, coverage shall extend to **Defence Costs** on account of any **Executive Claim** made against an **Insured Person**, or any **Organisation Claim** made against an **Organisation**, or **Legal Representation Expenses** in connection with a violation or breach of an occupational health and safety law, including but not limited to any workplace death or industrial manslaughter law anywhere in the world.

**(E) Pollution Defence Costs**

Notwithstanding Exclusion IV. (A) (viii), Pollution, coverage shall extend to **Defence Costs** on account of any **Executive Claim** in respect of **Pollution** up to the amount of the sub-limit in Item 1 of the Schedule provided such **Executive Claim** is brought and maintained entirely outside the **U.S.A.**

**(F) Shareholder Pollution Actions**

Notwithstanding Exclusion IV. (A) (viii), Pollution, coverage shall extend to **Loss** on account of any **Executive Claim** made against an **Insured Person** in respect of **Pollution** brought by a shareholder of an **Organisation** in his capacity as such, whether in his own right or on behalf of an **Organisation**, provided that such **Executive Claim** is brought and maintained without the assistance, participation or solicitation by any **Insured**.

**(G) Retired Executives**

If this **Coverage Section** is terminated or not renewed by either the Company or the **Principal Organisation** for any reason, other than non-payment of premium, and provided that no **Event** has occurred, **Retired Executives** shall have the right to an Extended Reporting Period of eighty-four (84) months within which to report any **Executive Claims** that are first made during such eighty-four (84) month period but only to the extent such **Executive Claims** are for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to the effective date of termination or non-renewal. There is no additional premium payable for such extended reporting period in respect of any **Retired Executive**.



(H) **Dedicated Additional Limit Of Liability For Executives**

Notwithstanding anything to the contrary in Section V. Limit of Liability in the General Terms and Conditions (but otherwise subject to all applicable terms and conditions), the Company shall pay under this Extension only, on behalf of any **Executive**, **Loss** on account of any **Executive Claim** first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring and **Formal Investigation** into conduct occurring before or during the **Policy Period**.

The Company's maximum liability under this Extension shall not exceed the aggregate as set forth in Item 1 of the Schedule inclusive of all **Loss** in respect of all **Executive Claims** against all **Executives**.

The Dedicated Additional Limit of Liability for Executives shall be excess of any insurance available that is specifically excess of this **Coverage Section**. Such excess insurance must be completely exhausted by payment of loss, damages or defence costs thereunder before the Company shall have any obligation to make payment on account of the Dedicated Additional Limit of Liability for Executives. The **Insured** agrees to provide the Company all details of any excess policies effected once they become known to them and the Company will endorse the policy accordingly.

(I) **Emergency Defence Costs**

If, because of an emergency, the Company's prior written consent to any **Defence Costs** or **Legal Representation Expenses** cannot be requested, **Defence Costs** or **Legal Representation Costs** can be incurred without that consent for a period of thirty (30) days immediately following the date on which the **Executive Claim** was first made.

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III. **DEFINITIONS**

When used in bold type in this **Coverage Section**:

**Attendance** means the attendance of an **Insured Person**:

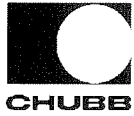
- (a) at a court hearing, arbitration, mediation, conciliation or alternative dispute resolution proceeding or **Formal Investigation** as a witness;
- (b) at an interview in the presence of a lawyer conducting the defence of any **Claim** for the purpose of composing a witness statement;
- (c) at a conference or consultation with a barrister for the purpose of preparation in relation to any **Claim**; and
- (d) at a court hearing, arbitration, mediation, conciliation or alternative dispute resolution proceeding or **Formal Investigation** as an observer, provided that the Company shall only be liable for the attendance of one observer for all **Organisations** per day;

where the attendance is in connection with a **Claim**.

**Attendance Compensation** means the amount referred to in Item 1 of the Schedule.

**Claim** means for purposes of coverage under:

- (a) Insuring Clauses (A), (B) (C) and (E), any **Executive Claim**; and
- (b) Insuring Clause (D), any **Organisation Claim**.



**Consensual Claim** means any **Claim** which is brought with the solicitation, intervention, participation or assistance (other than where an **Insured** is compelled by law to assist or participate in such **Claim**) of an **Insured** against whom it is brought.

**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 **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in defending, investigating, settling or appealing any **Claim** and the premium paid for appeal, attachment or similar bonds. For the avoidance of doubt, **Defence Costs** shall include reasonable costs, charges or fees resulting from an **Insured Person** lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**; or appealing any order or other grant of **Extradition** of such **Insured Person**.

**Employment Claim** means a **Claim** for any actual or alleged wrongful or unfair, employment-related discipline, dismissal, discharge or termination of employment; denial of natural justice; breach of any oral, written or implied employment contract; misrepresentation; discrimination; harassment; sexual harassment; failure to employ or promote; deprivation of a career opportunity; failure to grant tenure; demotion; evaluation; invasion of privacy; defamation; or infliction of emotional distress.

**Executive** means any natural person who was, now is or shall be a company director, including for the avoidance of doubt, a de facto director or shadow director; company secretary; officer or the holder of an equivalent position in any jurisdiction.

**Executive Claim** means:

- (a) With respect to Insuring Clauses (A) and (B) only:
  - (i) a written demand for monetary damages or non-pecuniary relief;
  - (ii) civil proceeding;
  - (iii) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
  - (iv) a criminal proceeding;
  - (v) an **Extradition** proceeding; or
  - (vi) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against any **Insured Person**, individually or otherwise, for a **Wrongful Act**, including any appeal therefrom.

- (b) With respect to Insuring Clause (C) only, a **Formal Investigation**.
- (c) With respect to Insuring Clause (E) only, an **Attendance**.

**Extradition** means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer a criminal accusation.

**Formal Investigation** means a formal administrative or formal regulatory inquiry by a governmental, regulatory, self-regulatory, professional, statutory or official body or institution that is empowered by law to investigate the affairs of an **Insured Person** or an **Organisation**, including for the avoidance of doubt, a royal commission.

**Insured** means an **Organisation** and/or **Insured Persons**.



**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 **Organisation**, even if such **Organisation** directed or requested the **Insured Person** to serve in such other position or capacity, other than an **Outside Directorship**.

**Insured Person** means any natural person who was, now is or shall be an **Executive** or employee of an **Organisation**, **Insured Person** shall not include an **External Administrator**.

**Legal Representation Expenses** means reasonable **Defence Costs** which an **Insured Person** incurs on account of the attendance and/or provision of documents or information by such **Insured Person** in an **Insured Capacity** at or to any **Formal Investigation**.

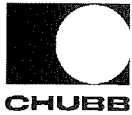
**Loss** means the amount which an **Insured** becomes legally obligated to pay on account of any covered **Claim** including, but not limited to:

- (a) **Defence Costs**;
- (b) **Legal Representation Expenses**;
- (c) awards of damages or orders made by any court or tribunal to pay compensation;
- (d) judgments;
- (e) sums payable due to settlements to which the Company has consented;
- (f) awards of claimant's costs;
- (g) pre-judgment and post-judgment interest;
- (h) punitive, exemplary or aggravated damages unless the Company is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined; and
- (i) the multiple portion of any multiplied damages award unless the Company is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined;
- (j) **Pecuniary Penalties**; and
- (k) **Attendance Compensation**.

**Loss** does not include:

- (i) any amount for which an **Insured Person** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- (ii) fines or penalties other than to the extent covered pursuant to paragraph (j) above;
- (iii) any amount not covered by this **Coverage Section** because of Section X. **Allocation** of the General Terms & Conditions;
- (iv) matters for which the Company is legally prohibited from indemnifying an **Insured** under Australian law other than to the extent covered pursuant to paragraphs (h) and (i) above; or
- (v) any amount incurred by an **Insured** in relation to a demand, proceeding or investigation which is not a **Claim** notwithstanding that such demand, proceeding or investigation subsequently gives rise to a **Claim** unless otherwise agreed to by the Company, in its sole discretion.

**Non-Profit Outside Entity** means any corporation, trust, fund, foundation, community or industry association or registered charity that is not an **Organisation** and whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world.



**Organisation Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a criminal proceeding; or
- (e) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against an **Organisation** for a **Wrongful Act**, including any appeal therefrom.

**Outside Directorship** means the position of **Executive**, trustee, governor, councillor, or the holder of an equivalent position in any jurisdiction, held by an **Insured Person** in an **Outside Entity** provided that such position is assumed and maintained with the knowledge and consent or at the request of the **Organisation**.

**Outside Entity** means any organisation that is not an **Organisation** and:

- (a) whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world;
- (b) which is not registered or approved for direct or indirect trading on a national securities exchange or over the counter trading system anywhere in the world;
- (c) which is not located, incorporated or domiciled or does not operate in the United States of America or any territory under its jurisdiction; or
- (d) which is not an authorised deposit taking institution, finance company, leasing company, friendly society, life insurance company, general insurance company, reinsurance company, investment company, mutual fund, collective investment scheme, fund manager, investment adviser, responsible entity of a managed investment scheme, trustee company, money market corporation, investment bank or any broker or dealer in securities or commodities, mortgage broker, real estate agent, stock exchange, commodities exchange, futures exchange, custodian, clearing house, registrar, medical benefits association or hospital benefits association or organisations of a similar nature.

**Pecuniary Penalties** means pecuniary or administrative fines or penalties which an **Insured Person** is ordered to pay in and under the laws of the Commonwealth of Australia and/or New Zealand, including for the avoidance of doubt, fines or penalties which an **Insured Person** is ordered to pay pursuant to the Trade Practices Act 1974 (Cth).

**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 any counterpart thereof anywhere in the world. 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 air emission, odour, waste water, oil, oil products, infectious or medical waste, asbestos or asbestos products or any noise.

**Pollution** means:

- (a) the actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, escape, seepage, migration, dispersal, treatment, removal or disposal of any **Pollutants**; or



- (b) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or
  - (i) any action taken in response to or contemplation or anticipation of any such regulation, order, direction or request; or
  - (ii) any action taken voluntarily to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, whether or not in relation to any such regulation, order, direction or request;

including but not limited to any claim for loss to the **Organisation** or an **Outside Entity**, the holders of its securities or its creditors based upon, arising from, or in consequence of the matters described in (a) or (b) of this definition, other than to the extent covered pursuant to Extension II (F).

**Retired Executive** means an **Executive** who has ceased to act in their **Insured Capacity** prior to the expiry of the **Policy Period** for reasons other than disqualification from holding the office of director or from managing a company and other than due to an **Event**.

**Wrongful Act** means any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted, or allegedly committed or attempted by:

- (a) for purposes of coverage under Insuring Clauses (A) and (B): an **Insured Person**, individually or otherwise, in his **Insured Capacity**, or any matter claimed against such **Insured Person** solely by reason of serving in such **Insured Capacity**; or
- (b) for purposes of coverage under Insuring Clause (D): an **Organisation**.

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#### IV. EXCLUSIONS

##### (A) Exclusions Applicable to All Insuring Clauses

The Company shall not be liable for **Loss** in respect of any **Claim**:

- Prior Notice** (i) based upon, arising from or in consequence of any fact or circumstance if written notice of such circumstance has been given under any policy or coverage section of which this **Coverage Section** is a renewal or replacement or which it may succeed in time;
- Pending or Prior Litigation** (ii) based upon, arising from or in consequence of any demand, suit or proceeding pending against, or order, decree or judgment entered for or against, any **Insured** or **Outside Entity** on or prior to the applicable Pending or Prior Litigation Date as set forth in Item 3 of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein;
- ERISA** (iii) for any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act, 1974 (USA) and amendments thereto;



**ForeFront Portfolio**  
**Directors & Officers Liability Coverage Section**

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<b>Bodily Injury/ Property Damage</b>	(iv)	for bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof, whether or not it is damaged or destroyed. For clarity, this exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in an <b>Employment Claim</b> ;
<b>Professional Services</b>	(v)	for any actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect, or breach of duty committed, attempted or allegedly committed or attempted in the rendering of, or actual or alleged failure to render any professional services to a third party;
<b>Major Shareholder</b>	(vi)	brought or maintained by or on behalf of any individual or entity which directly or beneficially owned fifteen per cent (15%) or more of the issued share capital or voting rights representing the present right to vote for election of directors of an <b>Organisation</b> at the time of the commission or omission of a <b>Wrongful Act</b> the subject of such <b>Claim</b> ;
<b>Securities</b>	(vii)	based upon, arising from or in consequence of a public offering, solicitation, sale, distribution or issuance of securities, whether or not a disclosure document has been issued, unless the Company grants its prior written consent to extend cover for such disclosure document;
<b>Pollution</b>	(viii)	based upon, arising from or in consequence of <b>Pollution</b> ;
<b>Insolvency</b>	(ix)	based upon, arising from or in consequence of <b>Financial Impairment</b> ; or
<b>Consensual Claim</b>	(x)	based upon, arising from, or in consequence of any <b>Consensual Claim</b> .

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**(B) Exclusions Applicable to Insuring Clauses A, B, C and E Only**

The Company shall not be liable for **Loss** in respect of any **Claim**:

- Dishonesty** (i) based upon, arising from or in consequence of:
- (a) any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by such **Insured Person**, including, without limitation, any wilful breach of duty in relation to the **Organisation**;
  - (b) any conduct or contravention in respect of which a liability is the subject of a prohibition in section 199B(1) of the Corporations Act 2001 (Cth),

provided that this exclusion shall not apply, including for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** or **Legal Representation Expenses** until a final adjudication in any proceeding establishes such a deliberately fraudulent act, omission, wilful violation or breach. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company.



**(C) Exclusions Applicable to Insuring Clause D Only**

The Company shall not be liable for **Loss** in respect of any **Organisation Claim**:

- |                                   |        |  |
|-----------------------------------|--------|--|
| <b>Contractual Liability</b>      | (i)    | based upon, arising from or in consequence of any actual or alleged liability of an <b>Organisation</b> under any contract provided that this Exclusion (C)(i) shall not apply to liability that would have attached to such <b>Organisation</b> in the absence of the contract;   |
| <b>Employment Practices</b>       | (ii)   | brought by any <b>Insured Person</b> 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; |
| <b>Discrimination</b>             | (iii)  | based upon, arising from or in consequence of any actual or alleged discrimination or sexual harassment of any third party;  |
| <b>Defamation</b>                 | (iv)   | based upon, arising from or in consequence of libel, slander, oral or written publication of defamatory or disparaging material;   |
| <b>Personal Injury</b>            | (v)    | based upon, arising from or in consequence of wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, malicious use or abuse of process, assault, battery or loss of consortium;  |
| <b>Copyright</b>                  | (vi)   | based upon, arising from or in consequence of any actual or alleged assertion or infringement of copyright, patent, service mark, trade name, design right or trade mark, whether registrable or not, or misappropriation of ideas or trade secrets or know how or any assertion or infringement of any intellectual property right;   |
| <b>Trade Practices</b>            | (vii)  | based upon, arising from or in consequence of the actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing, restraint of trade, restrictive trade practices or which protects competition;   |
| <b>Dishonesty of Organisation</b> | (viii) | based upon, arising from or in consequence of:<br><br>(a) any deliberately fraudulent act or omission or any willful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an <b>Organisation</b> ; or<br><br>(b) an <b>Organisation</b> having gained any profit, remuneration or advantage to which such <b>Organisation</b> was not legally entitled,   |



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provided that this exclusion shall not apply including, for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** until a final adjudication in any proceedings establishes such a deliberately fraudulent act or omission, willful violation or breach, personal profit, remuneration or advantage. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company.

**Trading Debts** (ix) based upon, arising from or in consequence of any trading or business debt incurred by an **Organisation**.

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#### V. SEVERABILITY - IMPUTATION OF KNOWLEDGE

With respect to Exclusions IV (A) (ii), Prior & Pending Litigation and IV (B) (i), Dishonesty, in this **Coverage Section**, in order to determine if coverage is available, no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**.

With respect to Exclusion IV (C) (viii), Dishonesty of Organisation, in this **Coverage Section**, in order to determine if coverage is available, only facts pertaining to and knowledge possessed by any chief executive officer, chief financial officer, in-house general counsel, president, managing director, company secretary, chairman or the holders of equivalent positions in any jurisdiction of an **Organisation** shall be imputed to such **Organisation**.

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#### VI. PRESUMPTIVE INDEMNIFICATION

If an **Organisation** is permitted or required by law to indemnify, or not prevented by law from indemnifying an **Insured Person** for **Loss** but fails or refuses, other than for reason of **Financial Impairment**, to so indemnify an **Insured Person** then the Company shall pay such **Loss** on behalf of such **Insured Person** subject to all the Exclusions of this **Coverage Section**. In such event the applicable Deductible Amount set forth in Item 2 of the Schedule shall be paid by the **Organisation** to the Company. No Deductible Amount shall apply in the event of **Financial Impairment**. This section does not apply to **Loss** arising out of an **Outside Directorship**.

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#### VII. PRIORITY OF PAYMENTS

- (a) In the event payment of **Loss** is due under this **Coverage Section** but the amount of such **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) or Insuring Clause (C) of this **Coverage Section**; then
  - (ii) to the extent of any remaining amount of the Limit of Liability available after payment under (i) above, pay such **Loss** for which coverage is provided under any other Insuring Clause of this **Coverage Section**.
- (b) Except as otherwise provided in this section, the **Company** may pay **Loss** as it becomes due under this **Coverage Section** without regard to the potential for other future payment obligations under this **Coverage Section**.



**ForeFront Portfolio**  
**Directors & Officers Liability Coverage Section**

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**VIII. CO-ORDINATION 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.



**ForeFront Portfolio**  
**Employment Practices Liability Coverage Section**

**SCHEDULE**

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

- Item 1.** Limit of Liability for this Coverage Section: \$
- Item 2.** Coverage is only available for the following if indicated by X:
- Insuring Clause (B): Third Party Liability Coverage: \$500,000 in the aggregate
- Item 3.** Deductible Amounts:
- (A) Insuring Clause (A): Employment Practices Liability Coverage: \$  
(B) Insuring Clause (B): Third Party Liability Coverage: \$
- Item 4.** Pending or Prior Litigation Date:
- (A) Insuring Clause (A):  
(B) Insuring Clause (B):
- Item 5.** Endorsement(s):



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In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the Insured agree as follows:

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**I. INSURING CLAUSE**

**(A) Employment Practices Liability Coverage**

The Company shall pay, on behalf of an **Insured**, **Loss** on account of any **Employment Claim** first made during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

**(B) Third Party Liability Coverage (Optional)**

If the Third Party Liability Coverage, as set forth in Item 2 of the Schedule, is purchased, the Company shall pay on behalf of an **Insured**, **Loss** on account of any **Third Party Claim** first made during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

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**II. EXTENSIONS**

**(A) Advancement of Defence Costs**

The Company shall, prior to the final disposition of any **Claim**, advance **Defence Costs** as provided under this **Coverage Section**, within thirty (30) days of receipt of an invoice for same from defence counsel.

Any advancement of **Defence Costs** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this **Coverage Section**.

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**III. DEFINITIONS**

When used in bold type in this **Coverage Section**:

**Benefits** means perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, other than salary or wages, to or for the benefit of an employee arising out of the employment relationship. **Benefits** does not include **Stock Benefits**, employee stock ownership plans or employee stock purchase plans.

**Claim** means any **Employment Claim** and/or a **Third Party Claim**.

**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 **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in defending, investigating, settling or appealing any **Claim** and the premium paid for appeal, attachment or similar bonds.

**Employee** means any natural person whose labour or service is engaged and directed by an **Organisation**, including part-time, seasonal, casual and temporary employees as well as volunteers, but only while that natural person is acting in his capacity as such. **Employee** shall not include any **Independent Contractor**.



**Employee Entitlements** means employee benefit arrangements of any kind (whether during or post employment) including:

- (a) provision for unemployment, redundancy, retirement, sickness, disability, maternity leave, paternal leave, adoption leave, annual leave, long service leave, compassionate leave or personal leave;
- (b) entitlements under any statute or **Industrial Instrument** including the calculation, timing or manner of payment of minimum wages, prevailing wage rates, overtime pay, time in lieu, allowances and penalties alleged to be due and owing;
- (c) accident, life, medical, disability or other welfare plans, including insurance of any kind;
- (d) superannuation, retirement or pension contributions, benefits and entitlements; or
- (e) **Stock Benefits**, profit sharing or deferred compensation plans.

**Employment Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration proceeding, mediation, conciliation or alternative dispute resolution proceeding; or
- (d) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

which is brought and maintained by or on behalf of any past, present or prospective **Employee** of an **Organisation** against an **Insured** for any **Wrongful Act** including any appeal therefrom.

**Harassment** means:

- (a) sexual harassment, including unwelcome sexual advances, requests for sexual favours, or other conduct of a sexual nature that is made a condition of employment with, used as a basis for employment decisions by, interferes with performance or creates an intimidating, hostile or offensive working environment; or
- (b) workplace harassment, including work related harassment of a non-sexual nature that interferes with performance or creates an intimidating, hostile or offensive working environment.

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

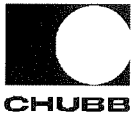
**Independent Contractor Services Agreement** means any express contract or agreement between an **Independent Contractor** and an **Organisation** governing the nature of the **Organisation's** engagement of such **Independent Contractor**.

**Industrial Instrument** means any award, agreement, arrangement or other instrument which is certified or registered by an industrial tribunal in Australia, including without limitation the Australian Industrial Relations Commission and the Industrial Relations Commissions of the States or Territories of Australia, or similar provisions of any law in Australia.

**Insured** means an **Organisation** and/or **Insured Persons**.

**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 an **Organisation**, even if such **Organisation** directed or requested the **Insured Person** to serve in such other position or capacity.

**Insured Person** means an **Executive** of an **Organisation** or an **Employee**.



**Loss** means the total amount which an **Insured** becomes legally obligated to pay on account of any covered **Claim**, including, but not limited to:

- (a) **Defence Costs**;
- (b) awards of damages or orders made by any court or tribunal to pay compensation;
- (c) judgments;
- (d) sums payable due to any settlements to which the Company has consented;
- (e) awards of claimant's costs; and
- (f) pre-judgment and post-judgment interest.

**Loss** does not include:

- (i) any amount for which an **Insured** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- (ii) the future compensation or **Benefits** of a claimant who has been or shall be hired, promoted or reinstated to employment pursuant to a settlement, order or other resolution of such **Claim**;
- (iii) taxes, fines or penalties imposed by law;
- (iv) punitive, exemplary or aggravated damages or the multiple portion of any multiplied damages awarded outside of the Commonwealth of Australia and New Zealand;
- (v) any amount allocated to loss not covered by this **Coverage Section** pursuant to section X. **Allocation** of the General Terms & Conditions; or
- (vi) matters for which the Company is legally prohibited from indemnifying an **Insured** under Australian law.

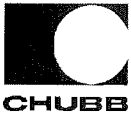
**Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, an environmental protection agency (including but not limited to the United States Environmental Protection Agency) or any counterpart thereof anywhere in the world. 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.

**Pollution** means:

- (a) 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
- (b) 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.

**Stock Benefits** means any offering, plan or agreement between an **Organisation** and any **Executive** or **Employee** which grants stock or stock options or stock appreciation rights as to an **Organisation** to such individual, including but not limited to restricted stock or any other stock grant or compensation or incentive granted in the form of securities of such **Organisation**. **Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.

**Third Party** means any natural person who is a customer, vendor, service provider or business invitee of an **Organisation**. **Third Party** does not include **Employees**.



**Third Party Claim** means:

- (a) a written demand for monetary damages of non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration proceeding, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

which is brought and maintained by or on behalf of a **Third Party** against an **Insured** for any **Wrongful Act** in connection with any actual or alleged **Third Party Discrimination or Sexual Harassment**, including any appeal therefrom.

**Third Party Discrimination or Sexual Harassment** means:

- (a) discrimination against a **Third Party** based upon such **Third party's** race, colour, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference or protected military status or other status which is protected pursuant to any law anywhere in the world; or
- (b) sexual harassment, including unwelcome sexual advances, requests for sexual favours or conduct of a sexual nature against a **Third Party**.

**Wrongful Act** means any wrongful termination, dismissal or discharge of employment, denial of natural justice relating to wrongful termination, dismissal or discharge of employment, breach of any oral, written or implied employment contract or contractual obligation arising out of any personnel manual, employee handbook, policy statement or representation, employment-related misrepresentation, violation of employment discrimination laws, workplace harassment, sexual harassment, wrongful failure to employ or promote, wrongful discipline, wrongful deprivation of a career opportunity, failure to grant tenure, wrongful demotion, negligent evaluation, employment-related invasion of privacy, employment-related defamation, employment-related wrongful infliction of emotional distress. **Employment Claim** shall include allegations of the retaliatory treatment of an **Insured Person** on account of such person exercising his rights under law; refusing to violate any law; disclosing or threatening to disclose any alleged violation of law; or filing or pursuing any claim against an **Organisation** under any 'whistle blower' law anywhere in the world

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#### IV. EXCLUSIONS

(A) The Company shall not be liable for **Loss** in respect of any **Claim**:

- |                                    |       |  |
|------------------------------------|-------|--|
| <b>Prior Notice</b>                | (i)   | based upon, arising from or in consequence of any fact or circumstance if written notice of such fact or circumstance has been given under any policy or coverage section of which this <b>Coverage Section</b> is a renewal or replacement or which it may succeed in time;   |
| <b>Pending or Prior Litigation</b> | (ii)  | based upon, arising from or in consequence of any demand, suit, formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document or arbitration proceeding pending, or order, decree or judgment entered against any <b>Insured</b> on or prior to the Pending or Prior Litigation Date set forth in Item 4 of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein; |
| <b>ERISA</b>                       | (iii) | based upon, arising from or in consequence of any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act, 1974 (USA) and amendments thereto;  |



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- |   |        |  |
|---|--------|--|
| <b>Bodily Injury/<br/>Property Damage</b> | (iv)   | for bodily injury, emotional distress, mental anguish, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof, whether or not it is damaged or destroyed. However, this exclusion shall not apply to any <b>Claim</b> alleging emotional distress, mental anguish or humiliation;                 |
| <b>Workers<br/>Compensation</b>           | (v)    | based upon, arising from or in consequence of any actual or alleged obligation of any <b>Insured</b> pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law, regulation or by-law;   |
| <b>Assumed<br/>Liability</b>              | (vi)   | for any actual or alleged liability of others, other than an <b>Employee</b> , assumed by an <b>Insured</b> under any contract except to the extent that such liability would have attached to the <b>Insured</b> even in the absence of such contract provided that this exclusion shall not apply to the Company's obligation to advance <b>Defence Costs</b> ;                    |
| <b>Pollution</b>                          | (vii)  | based upon, arising from or in consequence of <b>Pollution</b> ;   |
| <b>Securities</b>                         | (viii) | based upon, arising from or in consequence of a public or private offering, solicitation, sale, distribution, or issuance of securities, or the ownership of securities of an <b>Organisation</b> , whether or not a prospectus has been issued;   |
| <b>Statutory<br/>Entitlement</b>          | (ix)   | for breach of duties, obligations or responsibilities under any law, regulation, by-law, determination made under or pursuant to any statute, ordinance or <b>Industrial Instrument</b> howsoever promulgated regulating <b>Employee Entitlements</b> ;  |
| <b>Specified Sums<br/>Under Contract</b>  | (x)    | for any salary, wages or commissions or any specified amount of money required to be paid:<br><br>(i) in respect or in lieu of a notice requirement or notice period; or<br><br>(ii) pursuant to an express written obligation to make payments in the event of the termination of employment, including, without limitation in the event of redundancy, retrenchment or retirement; |
| <b>Future Salary</b>                      | (xi)   | future salary, wages, commissions, damages or economic relief, if an <b>Organisation</b> is ordered, pursuant to a judgment, determination or final adjudication of a court or tribunal, but fails to hire, promote or reinstate the claimant as an <b>Employee</b> , provided that this exclusion shall not apply to the Company's obligation to advance <b>Defence Costs</b> ; or  |
| <b>Non-Pecuniary<br/>Relief</b>           | (xii)  | any order for, grant of or agreement to provide non-pecuniary relief, provided that this exclusion shall not apply to the Company's obligation to advance <b>Defence Costs</b> .   |

(B) The Company shall not be liable for **Loss** on account of any **Third Party Claim** in connection with any actual or alleged price discrimination or violation of any anti-trust statute or law designed to protect competition or prevent unfair trade practices.

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## V. CO-ORDINATION OF COVERAGE

Any **Loss** covered under this **Coverage Section** and either the **Directors and Officers Liability Coverage Section** or the **Trustees Liability Coverage Section**, if purchased, shall be first covered under this **Coverage Section**, subject to its terms, conditions and limitations.



**SCHEDULE**

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

**Item 1.**

<b>Insuring Clauses</b>	<b>Limit of Liability</b>	<b>Deductible Amount</b>
(A) Employee Theft Coverage:	\$	\$
(B) Premises Coverage:	\$	\$
(C) In Transit Coverage:	\$	\$
(D) Forgery Coverage:	\$	\$
(E) Computer Fraud Coverage:	\$	\$
(F) Funds Transfer Fraud Coverage:	\$	\$
(G) Counterfeit Currency Fraud Coverage:	\$	\$
(H) Credit Card Fraud:	\$	\$
(I) Client Coverage:	\$	\$
(J) Expense Coverage:	\$	\$Nil

If "Not Covered" is inserted opposite any Insuring Clause, such Insuring Clause and any other reference to such Insuring Clause in this Coverage Section shall be deemed to be deleted.

No Deductible Amount shall apply to (i) Superannuation Funds or (ii) Expense Coverage provided pursuant to Insuring Clause (J).

**Item 2. Endorsement(s):**

**Item 3. Territory:**



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In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the Insured agree as follows:

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**I. INSURING CLAUSES**

**(A) Employee Theft Coverage**

The Company shall pay the **Principal Organisation** for direct loss of **Money**, **Securities** or **Property** sustained by an **Insured** resulting from **Theft**, fraud or dishonesty, committed by an **Employee**, whether acting alone or in collusion with others, which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

**(B) Premises Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from:

- (i) the unlawful taking of **Money** or **Securities** committed by a **Third Party**, or
- (ii) the actual destruction or disappearance of **Money** or **Securities**,

within or from **Premises** or **Banking Premises**, which direct loss is **Discovered** during the **Policy Period** or Extended Reporting Period including:

- (a) direct loss of or damage to **Property** which results from **Robbery** or attempted **Robbery** within the **Premises**;
- (b) direct loss of or damage to **Property** contained within any safe which results from **Safe Burglary** or attempted **Safe Burglary** within the **Premises**;
- (c) damage to a locked safe, cash drawer, cash box or cash register within the **Premises** by felonious entry or loss by felonious abstraction of such container from within the **Premises**; and
- (d) damage to the **Premises** which results from **Safe Burglary** or **Robbery**.

**(C) In Transit Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from:

- (i) the unlawful taking of **Money** or **Securities** committed by a **Third Party**; or
- (ii) the actual destruction or disappearance of **Money** or **Securities**,

while **In Transit** or while temporarily within the home of an **Employee** or a partner of an **Insured** that is a partnership, which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period including;

- (a) direct loss or damage to **Property** resulting from **Robbery** while **In Transit**; and
- (b) direct loss resulting from the unlawful taking of **Property** temporarily within the home of an **Employee** or a partner of an **Insured** which is a partnership.



**(D) Forgery Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Forgery** or alteration of a **Financial Instrument** committed by a **Third party** which direct loss is **Discovered** during the **Policy Period** or the Extended Discovery Period, including;

- (i) any cheque or draft made or drawn in the name of such **Insured** payable to a fictitious payee and endorsed in the names of such fictitious payee;
- (ii) any cheque or draft procured in a face to face transaction with such **Insured** or with one acting as the agent of such **Insured** by a **Third Party** impersonating another and made or drawn payable to the other impersonated and endorsed by a **Third Party** other than such one impersonated; and
- (iii) any payroll cheque, payroll draft or payroll order made or drawn by such **Insured** payable to bearer as well as to a named payee and endorsed by a **Third Party** other than such named payee without the authority of such named payee.

**(E) Computer Fraud Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Computer Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

**(F) Funds Transfer Fraud Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Funds Transfer Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

**(G) Counterfeit Currency Fraud Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Counterfeit Currency Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

**(H) Credit Card Fraud Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Credit Card Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

**(I) Client Coverage**

The Company shall pay the **Principal Organisation** for direct loss sustained by a **Client** resulting from **Theft**, fraud or dishonesty committed by an **Employee** not in collusion with such **Client's** directors or employees, including, for the avoidance of doubt, temporary staff, or agents which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

**(J) Expense Coverage**

The Company shall pay the **Principal Organisation** for **Investigative Costs** or **Computer Violation Expenses**.



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## II. DEFINITIONS

When used in bold type in this **Coverage Section**:

**Banking Premises** means the interior portion of a building occupied by, or the night depository chute or safe maintained by, any authorised deposit taking institution including a bank, building society, credit union or equivalent organisation in any other jurisdiction.

**Client** means a customer of an **Organisation** to whom such **Organisation** provides goods or services under a written contract or for a fee or other monetary consideration.

**Computer Fraud** means the unlawful taking or the fraudulently induced transfer of **Money, Securities or Property** resulting from a **Computer Violation**.

**Computer System** means a computer or network of computers, including its input, output, processing, storage, off-line media library and communication facilities provided that such computer, computer network and facilities are owned and operated or leased and operated by an **Insured**.

**Computer Violation** means an unauthorised:

- (a) entry of **Data** into or deleting of **Data** from a **Computer System**;
- (b) change of **Data** elements or program logic which is kept in a machine readable format; or
- (c) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,

directed against an **Organisation**.

**Computer Violation Expenses** means reasonable expenses resulting from any direct loss covered under Insuring Clause 1 (A) (E) or (I) which are excess of the Deductible Amount applicable to such direct loss (other than regular or overtime wages, salaries or fees of the company directors, officers or employees of an **Organisation** or office overheads, travel costs unrelated to a loss covered under this policy or other administration costs) incurred by an **Organisation**, with the Company's prior written consent, to reproduce or duplicate damaged or destroyed electronic **Data** or computer programs. If such electronic **Data** or computer programs cannot be duplicated from other **Data** or computer programs, then **Computer Violation Expenses** shall also include reasonable costs incurred for the time taken for computer programmers, technical experts or consultants to restore such electronic **Data** or computer programs to substantially the same level or operational capability existing immediately before the covered loss. **Computer Violation Expenses** shall not include expenses incurred by any **Client**.

**Counterfeit Currency Fraud** means the acceptance in good faith and in the ordinary course of business by an **Insured** of:

- (a) any postal or money order issued, or purporting to have been issued, by any post office, which is not paid by the post office upon presentation; or
- (b) counterfeit currency.

**Credit Card Fraud** means the **Forgery** or alteration of, on or in, any written instrument required in connection with any credit card issued to an **Organisation** or at the request of an **Organisation**, to any **Employee** or to any partner of an **Organisation** that is a partnership.

**Data** means representation of information, knowledge, facts, concepts or instructions which are processed and stored in a **Computer System**.



**Discovery or Discovered** means knowledge acquired by an **Executive** or **Insurance Representative** of facts which would cause a reasonable person to believe a loss of the type covered by this Coverage Section has occurred or acts have taken place which may subsequently result in such loss. This includes loss sustained prior to the inception date of this **Coverage Section**; loss which does not exceed the Deductible Amount as set forth in the Schedule; or loss which the exact amount or details of which are unknown. **Discovery or Discovered** shall not include knowledge acquired or possessed by an **Executive** or **Insurance Representative** whether acting alone or in collusion with an **Employee** or any other person, who is a participant in the **Theft**, fraud or dishonesty.

**Employee** means a natural person:

- (a) while in the regular service of an **Organisation** in the ordinary course of such **Organisation's** business whom such **Organisation** has the right to govern and direct in the performance of such service whether the **Organisation** compensates such person by salary, wages and/or commissions or whether such person is a volunteer;
- (b) who is an **Executive** while performing acts within the scope of the usual duties of an employee as described in paragraph (a) of this definition;
- (c) while in the service of any **Superannuation Fund** as fiduciary, trustee, administrator, officer or employee; or
- (d) assigned to perform duties within the scope of the usual duties of an **Employee**, as described in paragraph (a) of this definition, within **Premises** for an **Organisation** by any agency furnishing temporary personnel on a contingent or part time basis. However, this Coverage Section does not cover any loss caused by any such person if such loss is also covered by any insurance or sureties held by the agency furnishing such temporary personnel to an **Organisation**.

**Executive** means a natural person who is duly elected or appointed director or officer, or equivalent positions in any jurisdiction, of an **Organisation**. **Executive** shall include a partner of an **Organisation** that is a partnership.

**Financial Instrument** means a cheque, draft or similar written promise, order or direction to pay a sum certain in money that is drawn by or drawn upon an **Organisation** or made or drawn by any person acting as an **Organisation's** agent, or that is purported to have been so made or drawn.

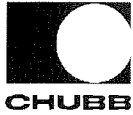
**Forgery** means the signing of another natural person's name with the intent to deceive, but does not mean a signature that includes one's own name, in whole, with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.

**Funds Transfer Fraud** means fraudulent electronic, telegraphic, cable, teletype, facsimile, telephonic or written instructions issued to a financial institution directing such financial institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Organisation** at such financial institution, without such **Organisation's** knowledge or consent.

**Insurance Representative** means an **Employee** designated to represent an **Insured** for the purpose of effecting and maintaining insurance.

**Insured** means an **Organisation** and, with respect to Insuring Clause 1.A only, any **Superannuation Fund**.

**In Transit** means **Money**, **Securities** or **Property** being conveyed outside the **Premises**, from one person or place to another, by an **Organisation** while in the custody of an **Employee** or a person duly authorised by an **Organisation** to have custody. Such conveyance begins immediately upon receipt of **Money**, **Securities** or **Property** by the persons described above from such **Organisation** and ceases immediately upon delivery to the designated recipient or its agent.



**Investigative Costs** means reasonable expenses, (other than regular or overtime wages, **Salary** or fees of the company directors, officers or employees of an **Organisation** or office overheads, travel costs unrelated to a loss or other administration costs) incurred by an **Organisation**, with the Company's prior written consent, to establish the existence and amount of any direct loss covered by this **Coverage Section** which are excess of the Deductible Amount applicable to such direct loss. **Investigative Costs** shall not include expenses incurred by any **Client**.

**Money** means currency, coin, bank notes and bullion.

**Premises** means the interior of any building occupied by an **Insured** in conducting its business.

**Property** means tangible property other than **Money** or **Securities**.

**Robbery** means the unlawful taking of **Money**, **Securities** or **Property** from the custody of an **Employee** or other natural person (except a person acting as a watchman, porter or caretaker) authorised by an **Insured** to have custody of such **Money**, **Securities** or **Property**, by violence or threat of violence, committed in the presence and cognizance of such **Employee** or other natural person.

**Safe Burglary** means the unlawful taking of **Money**, **Securities** or **Property** by forcible or violent entry evidenced by visible marks from a locked vault or safe located within the **Premises**.

**Salary** means compensation an **Insured** pays an **Employee**, including but not limited to any bonus, commission, incentive payments and the cost of health, welfare and superannuation benefits.

**Securities** means negotiable and non-negotiable instruments representing a share, participation or other interest in the property or enterprise of an entity, such as company stock or bonds.

**Subsidiary** means any organisation in which one or more **Insureds**:

- (a) controls the composition of the organisation's board;
- (b) is in a position to cast, or control the casting of, more than fifty (50%) percent of the maximum number of votes that might be cast at a general meeting of the organisation; or
- (c) holds more than fifty (50%) of the issued share capital of the organisation (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

**Superannuation Fund** means any superannuation fund established by an **Organisation** for the sole benefit of employees of such **Organisation**.

**Theft** means the unlawful taking of **Money**, **Securities** or **Property** to the deprivation of an **Insured** with respect to Insuring Clause (A); or a **Client** with respect to Insuring Clause (I).

**Third Party** means a person other than an **Insured**, or **Employee**, or a person acting in collusion with an **Employee**.

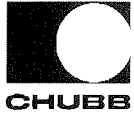
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### III. EXCLUSIONS

(A) No coverage will be available under this **Coverage Section** for:

**Confidential Information** (i) loss of any trade secrets, confidential processing methods or confidential information of any kind;

**Partner** (ii) loss due to **Theft**, fraud or dishonesty committed by a partner in an **Organisation** that is a partnership, whether acting alone or in collusion with others, provided



that if such **Theft**, fraud or dishonesty, would otherwise be covered under Insuring Clause (A) or (I) this exclusion shall not apply to the extent that coverage is excess of the amount of such partner's percentage ownership of such **Organisation** on the day immediately preceding the date of **Discovery** multiplied by such **Organisation's** total assets as reflected in its most recent, audited financial statements;

- War** (iii) loss or damage due to declared or undeclared war; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalisation; or any act or condition incident to any of the foregoing;
- Loss of Income** (iv) loss of income or profit as the result of any loss covered under this **Coverage Section**;
- Consequential Loss Violation** (v) indirect or consequential loss or damage of any kind; provided that this exclusion shall not apply to otherwise covered **Investigative Costs** and **Computer Expenses**;
- Legal Proceedings** (vi) fees, costs or expenses incurred or paid by an **Insured** in prosecuting or defending any legal proceeding or claim; provided that this exclusion shall not apply to the coverage provided under Section VI, Legal Expenses Extension;
- Exchange or Purchase** (vii) loss due to an **Insured** or **Employee** knowingly having given or surrendered **Money, Securities** or **Property** in any exchange or purchase with a **Third Party**; provided that this exclusion shall not apply to loss otherwise covered under **Insuring Clause (E) or (G)**;
- Insured Advantage** (viii) loss sustained by one **Insured** to the advantage of any other **Insured**;
- Safe Deposit or Armoured Motor Vehicle** (ix) loss of or damage to **Money, Securities** or **Property** while in the custody of any bank or authorised deposit taking institution, armoured motor vehicle company or any person who is duly authorised by an **Organisation** to have custody of **Money, Securities** or **Property**; provided that this exclusion shall not apply to the extent that coverage is excess of the amount recovered or received by an **Organisation** under a contract, if any, with, or insurance carried by, any of the foregoing or any other insurance or indemnity in force which would cover the loss in whole or in part;
- Trading** (x) loss resulting directly or indirectly from any trading of **Money, Securities** or **Property**, whether or not in the name of an **Insured** and whether or not in a genuine or fictitious account; provided that this exclusion shall not apply to loss otherwise covered under Insuring Clause (A) which results in improper financial gain to an **Employee** (such loss as used herein shall mean only the amount of improper financial gain to such **Employee** and shall not include **Salary**, commissions, fees or compensation, including but not limited to, promotions and raises associated with employment, paid by an **Insured** to such **Employee**);



- 
- |                                  |        |  |
|----------------------------------|--------|--|
| <b>Data</b>                      | (xi)   | fees, costs or expenses incurred or paid: <ul style="list-style-type: none"><li>(a) as a result of the reconstitution of <b>Data</b> if an <b>Insured</b> knowingly uses illegal copies of programs;</li><li>(b) to render the <b>Data</b> usable by replacement processing equipment;</li><li>(c) to design, update or improve software programs or to perfect their operation or performance; or</li><li>(d) as a result of an alteration in <b>Data</b> held on magnetic media due to the effect of magnetic fields, their incorrect use or the obsolescence of the <b>Computer System</b>;</li></ul>                                   |
| <b>Fire</b>                      | (xii)  | loss or damage due to fire provided that this exclusion does not apply to loss of <b>Money</b> or <b>Securities</b> or damage to any safe or vault caused by the application of fire thereto for the purpose of <b>Safe Burglary</b> ; or  |
| <b>Authorised Representative</b> | (xiii) | loss or damage due to <b>Theft</b> , fraud, dishonesty, <b>Forgery</b> , <b>Computer Fraud</b> , <b>Funds Transfer Fraud</b> , <b>Counterfeit Currency Fraud</b> , <b>Credit Card Fraud</b> or any criminal act (other than <b>Robbery</b> or <b>Safe Burglary</b> ) committed by any authorised representative of an <b>Insured</b> , whether acting alone or in collusion with others, provided that this exclusion does not apply to loss otherwise covered under Insuring Clause (A) or (I) resulting from <b>Theft</b> , fraud or dishonesty committed by an <b>Employee</b> acting in collusion with such authorised representative. |

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**(B) Exclusions Applicable to Insuring Clause 1. A or 1. I**

No coverage will be available under Insuring Clause 1.A or 1.I for:

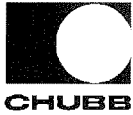
- |                         |      |  |
|-------------------------|------|--|
| <b>Known Dishonesty</b> | (i)  | loss caused by an <b>Employee</b> which is sustained by an <b>Insured</b> : <ul style="list-style-type: none"><li>(a) after an <b>Executive</b> or <b>Insurance Representative</b> becomes aware of a <b>Theft</b>, fraud or dishonesty committed by such <b>Employee</b> while employed with an <b>Insured</b>;</li><li>(b) after an <b>Executive</b> or <b>Insurance Representative</b> becomes aware of a <b>Theft</b>, fraud, or dishonesty involving <b>Money</b>, <b>Securities</b> or <b>Property</b> in an amount of twenty-five thousand dollars (\$25,000) or more, committed by an <b>Employee</b> prior to employment with an <b>Insured</b>, or</li></ul> |
| <b>Agents</b>           | (ii) | loss caused by any agent, broker, factor, commission merchant, consignee, contractor, subcontractor or similar representative.   |

---

**(C) Exclusions Applicable to Insuring Clauses 1.B or 1.C**

No coverage is available under Insuring Clause 1.B or 1.C for loss or damage:

- |                |      |  |
|----------------|------|--|
| <b>Forgery</b> | (i)  | due to <b>Forgery</b> , <b>Computer Fraud</b> , <b>Counterfeit Currency Fraud</b> , <b>Credit Card Fraud</b> or <b>Funds Transfer Fraud</b> ; or                     |
| <b>Mail</b>    | (ii) | of or to <b>Money</b> , <b>Securities</b> or <b>Property</b> while in the mail or in the custody of a carrier for hire other than an armoured motor vehicle company. |



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**(D) Exclusion Applicable to Insuring Clauses 1.B, 1.C, 1.E or 1.F**

No coverage is available under Insuring Clause 1.B, 1.C, 1.E or 1.F for;

**Kidnap** (i) loss or damage as a result of a kidnap, ransom or extortion payment (as distinct from **Robbery**) made by or on behalf of an **Insured**.

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**(E) Exclusions Applicable to Insuring Clause 1.D**

No coverage is available under Insuring Clause (D) for loss due to **Forgery** or alteration of:

**Third Party** (i) any **Financial Instrument** committed by any **Third Party** in collusion with any **Employee**; or

**Coupons** (ii) of any registered or coupon obligation issued or purportedly issued by an **Insured**, or any coupons whether attached or detached.

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**(F) Exclusion Applicable to Insuring Clause 1.H**

No coverage is available under Insuring Clause 1.H for loss due to any forgery or alteration of, on or in any written instrument provided that this exclusion shall not apply if:

**Credit Card Conditions** (i) the provisions, conditions and other terms under which the involved credit card was issued were fully complied with; or

**Legal Liability** (ii) an **Insured** is legally liable to the issuer of such credit card for such loss.

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**IV. DISCOVERY AND LIABILITY FOR PRIOR LOSSES**

Coverage is available for loss sustained at any time and **Discovered** during the **Policy Period**, or the Extended Discovery Period, if applicable.

In the event that loss, which would otherwise be covered under this Coverage Section, is sustained prior to this Coverage Section's inception date; or the effective date of coverage for an additional **Insured**; or the effective date of any coverage added by endorsement, such prior loss is subject to the following:

- A. if an **Insured** was insured under a prior policy issued by a company other than the Company which, at the time such loss was sustained afforded coverage for such prior loss, and such prior loss was first discovered prior to the expiration of the time allowed for discovery under such prior policy, then no coverage shall be available under this Coverage Section, unless the total amount of covered loss exceeds the limit of liability of such prior policy and, in such an event, the Company's Limit of Liability for any such loss will be in excess of the limit of liability of such prior policy and will be subject to all of the terms and conditions of this Coverage Section; or
- B. if an **Insured** was insured under a prior policy issued by the Company which, at the time such loss was sustained, afforded coverage for such prior loss, then such prior policy shall terminate as of the inception date of this Coverage Section and such prior policy shall not cover any loss not discovered and notified to the Company prior to the inception date of this Coverage Section. In such an event, the Company's Limit of Liability for any such prior loss shall be the applicable Limit of Liability as set forth in the Schedule of this Coverage Section.



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**V. OWNERSHIP**

The Company's liability under this **Coverage Section** shall apply only to **Money, Securities, or Property** owned by an **Insured**; for which it is legally liable; or held by it in any capacity whether or not it is liable provided that the Company shall not be liable for damage to **Premises** unless an **Insured** is the owner of such **Premises** or is legally liable for such damage.

With respect to Insuring Clause (I) only, the Company's liability under this **Coverage Section** shall apply only to **Money, Securities or Property** owned by a **Client** for which an **Insured** is legally liable or held by it in any capacity.

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**VI. LEGAL EXPENSES EXTENSION**

In addition to the Limits of Liability set forth in the Schedule, the Company shall be liable for:

- (a) With respect to **Forgery** coverage under Insuring Clause (D), reasonable court costs and lawyers' fees incurred and paid with the Company's prior written consent in defending an **Insured** or an **Insured's** bank or approved deposit taking institution in any legal proceeding brought against it to enforce payment of a **Financial Instrument**.
- (b) With respect to **Credit Card Fraud** coverage under Insuring Clause (H), reasonable court costs and lawyers' fees incurred and paid with the Company's prior written consent in defending an **Insured** in any legal proceeding brought against it to enforce payment of a written instrument required in connection with any credit card.

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**VII. LIMIT OF LIABILITY & DEDUCTIBLE**

The Company's maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss as set forth in Item 1 of the Schedule, regardless of the number of **Insureds** sustaining the loss.

If a direct loss is covered under more than one Insuring Clause, the maximum amount payable under this **Coverage Section** shall not exceed the largest applicable Limit of Liability of any such Insuring Clause.

All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability will apply, subject to Section IV, Discovery and Liability for Prior Losses.

The Company's liability under this **Coverage Section** shall apply only to that part of covered loss which is excess of the applicable Deductible Amount set forth in Item 1 of the Schedule.

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**VIII. NON-ACCUMULATION OF LIABILITY**

When there is more than one **Insured**, the maximum liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.

Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the amount the Company shall pay for any loss shall not be cumulative from year to year or from **Policy Period** to **Policy Period**.



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**IX. PROOF OF LOSS AND LEGAL PROCEEDINGS**

It is a condition of coverage hereunder that, upon **Discovery**, the **Principal Organisation** will:

- (a) give written notice to the Company at the earliest practicable moment, and in no event later than ninety (90) days after such **Discovery**;
- (b) furnish a proof of loss with full particulars to the Company within six (6) months of such **Discovery**;
- (c) submit to examination under oath at the Company's request;
- (d) produce all pertinent records at such reasonable times and places as the Company designates;
- (e) fully co-operate with the Company in all matters pertaining to a claim for loss.

The **Principal Organisation** may not offer, as a part of any proof of loss, any computation or comparison which involves in any manner a profit and loss computation or comparison. The **Principal Organisation** may offer a comparison between an **Insured's** inventory records and actual physical counts of its inventory to prove the amount of loss only where an **Insured** establishes that, wholly apart from such comparison, it has sustained a covered loss caused by an **Employee**.

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**X. EXTENDED DISCOVERY PERIOD**

If this Coverage Section is terminated or not renewed by the Company for any reason, other than non-payment of premium, the **Insured** shall have the right upon payment of 50% of the annual premium for this Coverage Section, to an Extended Discovery Period of 365 days from the date of termination or non-renewal within which to report any losses first **Discovered** during such 365 day period, but only to the extent such losses were sustained prior to the effective date of termination or non-renewal.

The right to the Extended Discovery Period shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within ninety (90) days following the effective date of termination or non-renewal of this Coverage Section.

If the Extended Discovery Period is purchased in accordance with this Section then:

- (a) it cannot be cancelled by the **Insureds** or the Company; and
- (b) the entire premium shall be deemed fully earned at the inception of the Extended Discovery Period.

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**XI. TERMINATION AS TO ANY EMPLOYEE**

For the purposes of coverage under Insuring Clause (A) and Insuring Clause (I), **Employee** shall include an **Employee** for a period of sixty (60) days following termination of employment with an **Insured**.

---

**XII. VALUATION**

The Company shall pay on the bases of valuation set out below in respect of the following categories of covered loss:

- (a) loss in respect of **Securities**: the least of: (1) the actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which the loss is **Discovered**; (2) the cost of replacing the **Securities**; or (3) the cost to post a Lost Instrument Bond. Such costs shall be paid by the Company on behalf of an **Insured**;



**ForeFront Portfolio**  
**Crime Coverage Section**

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- (b) loss in respect of books of account or other records: the cost of blank books, pages, CD Roms or discs or other blank materials to replace lost or damaged books of account or other records;
- (c) loss in respect of other personal property: the least of the price paid by an **Insured** for personal property or the cost to repair or replace such property with property of similar quality and value at the time the **Principal Organisation** furnishes proof of loss in compliance with Section X, Extended Discovery Period.



**ForeFront Portfolio**  
**Statutory Liability Coverage Section**

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**SCHEDULE**

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

- Item 1.** Limit of Liability for this **Coverage Section:** \$250,000
- Item 2.** Deductible Amount: \$
- Item 3.** Pending or Prior Litigation Date:
- Item 4.** Endorsement(s):



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In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the Insured agree as follows:

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**I. INSURING CLAUSE**

The Company shall pay on behalf of each **Insured**, **Loss** on account of any **Claim** first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Period**.

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**II. EXTENSIONS**

**(A) Advancement of Defence Costs**

The Company shall, prior to the final disposition of any **Claim**, advance **Defence Costs** as provided under this **Coverage Section**, within thirty (30) days of receipt of an invoice for same from defence counsel.

Any advancement of **Defence Costs** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this Coverage Section.

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**III. DEFINITIONS**

When used in bold type in this **Coverage Section**:

**Act** means i) any Act of the Parliament of the Commonwealth of Australia and/or New Zealand and any Act of the Parliaments of the States or Territories of the Commonwealth of Australia, including any subordinate or delegated legislation made under those Acts; and ii) any amendment, consolidation or re-enactment of any of the above Acts or legislation.

**Claim** means any **Statutory Claim**.

**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 partners, directors, officers or employees of the **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in defending, investigating or settling any **Claim** and the premium for appeal, attachment or similar bonds.

**Employee** means any natural person whose labour or service is engaged and directed by an **Organisation**, including part-time, seasonal, casual and temporary employees as well as volunteers but only while such natural person is acting in his capacity as such. **Employee** shall not include any independent contractor.

**Executive** means any natural person who was, now is or shall be a company director, including for the avoidance of doubt, a de facto director or shadow director; company secretary; officer; partner or the holder of an equivalent position in any jurisdiction of an **Organisation**.

**Insured** means an **Organisation** and any **Insured Person**.

**Insured Person** means any natural person who was, now is or shall be an **Executive** or **Employee** of an **Organisation**.



**Loss** means **Defence Costs** and any **Penalty** which any **Insured** becomes legally obligated to pay on account of any covered **Claim**, including any reasonable legal costs and associated expense payable by the **Insured** to any other party by reason of an order of any **Regulatory Authority**.

**Loss** does not include:

- (a) any amount for which an **Insured** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- (b) fines or penalties imposed by law other than any **Penalty**;
- (c) any amount allocated to loss not covered by this **Coverage Section** pursuant to section X. **Allocation** of the General Terms & Conditions; and
- (d) matters for which the Company is legally prohibited from insuring under Australian law.

**Penalty** means any pecuniary or administrative fines or penalties which an **Insured** is ordered to pay pursuant to any **Act**.

**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, the United States Environmental Protection Agency or any counterpart thereof anywhere in the world. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or 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 noise.

**Pollution** means:

- (a) the actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, escape, seepage, migration, dispersal, treatment, removal or disposal of any **Pollutants**; or
- (b) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or
  - (i) any action taken in response to or contemplation or anticipation of any such regulation, order, direction or request; or
  - (ii) any action taken voluntarily to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, whether or not in relation to any such regulation, order, direction or request,

including but not limited to any **Claim** for loss to an **Organisation**, the holders of its securities or its creditors based upon, arising from, or in consequence of the matters described in (a) or (b) of this definition.

**Regulatory Authority** means a person or entity appointed, constituted or acting under a delegation pursuant to any **Act** for the purposes of enforcement of such **Act** or another **Act**, including a person or entity authorised to collect monies payable to the Consolidated Revenue Fund, consolidated fund or any other such fund.

**Statutory Claim** means any written notice received by an **Insured** alleging a **Wrongful Act** resulting in the **Insured** being liable to pay a **Penalty**.



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**Wrongful Act** means any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted or allegedly committed or attempted by an **Insured**.

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#### **IV. EXCLUSIONS**

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

- Prior Notice** (i) based upon, arising from or in consequence of any fact or circumstance if written notice of such circumstance has been given under any policy or coverage section of which this **Coverage Section** is a renewal or replacement or which it may succeed in time;
- Pending or Prior Litigation** (ii) based upon, arising from or in consequence of any demand, suit or proceeding pending against, or order, decree or judgment entered for or against any Insured or prior to the applicable Pending or Prior Litigation Date as set forth in Item 3. of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein;
- Bodily Injury/ Property Damage** (iii) for bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof, whether or not it is damaged or destroyed;
- Restrictive Trade Practices** (iv) based upon, arising from or in consequence of actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing or restraint of trade, or which protects competition;
- Damages** (v) based upon, arising from, or in consequence of:  
(a) any amount payable as compensation;  
(b) any compliance, remedial, reparation or restitution costs;  
(c) any damages, including any exemplary, or punitive damages or the multiple portion of any multiplied damage award; or  
(d) any consequential economic loss;
- Professional Services** (vi) for actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust 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 a third party;
- Fraud** (vii) based upon, arising from or in consequence of any deliberate conflict of interest, dishonest, deliberately criminal or deliberately fraudulent, or malicious act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an **Insured**;
- Tax** (viii) based upon, arising from or in consequence of any actual or alleged act or omission in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost;
- Traffic** (ix) based upon, arising from or in consequence of any actual or alleged violation of the responsibilities, obligations or duties imposed by any law, regulation or by-law relating to vehicular, air or marine traffic and any amendments thereto;
- Corporations Act** (x) based upon, arising from or in consequence of any actual or alleged violation of the responsibilities, obligations or duties imposed by Sections 182, 183,



## ForeFront Portfolio Statutory Liability Coverage Section

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601FD, 601JD of the Corporations Act 2001 (Cth) or any similar law anywhere in the world, and any amendments thereto;

- USA** (xi) brought and maintained, in whole or in part, in or subject to the substantive and procedural laws of the United States of America and any territory under its jurisdiction;
- Pollution** (xii) based upon, arising from or in consequence of **Pollution**; or
- ERISA** (xiii) based upon, arising from or in consequence of any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act, 1974 (USA) and any amendments thereto.
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### V. SEVERABILITY OF EXCLUSIONS

With respect to exclusion IV.A.(vii), Fraud, 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, company secretary, chairman, president or managing director or equivalent thereof, of an **Organisation** shall be imputed to such **Organisation**.
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### VI. CO-ORDINATION OF COVERAGE

Any **Loss** covered under this **Coverage Section** and the Directors and Officers Liability Coverage, if purchased, shall be first covered under this **Coverage Section**, subject to its terms, conditions and limitations.



**ForeFront Portfolio**  
**Kidnap/Ransom and Extortion Coverage Section**

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**SCHEDULE**

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

**Item 1. Limit of Liability for this Coverage Section**

(A) Kidnap/Ransom and Extortion Coverage: Insuring Clause (A)	\$1,000,000
(B) Delivery Coverage: Insuring Clause (B)	\$1,000,000
(C) Expense Coverage: Insuring Clause (C)	\$1,000,000
(D) Legal Liability: Insuring Clause (D)	\$1,000,000
(E) Political Threat Coverage: Insuring Clause (E)	\$1,000,000

**Item 2. Deductible Amount:** Nil

**Item 3. Designated Persons:** All executives and **Employees** of the **Insured**

**Item 4. Excluded Territory:** As defined in Section II. Definitions, together with the following additional territories:

**Item 5. Endorsement(s):**



In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the Insured agree as follows:

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**I. INSURING CLAUSES**

**(A) KIDNAP/RANSOM AND EXTORTION COVERAGE**

The Company shall be liable for loss of any property or other consideration actually surrendered:

- (i) as a ransom payment by or on behalf of the **Insured** as the result of an actual or alleged **Kidnapping**;
  - (ii) as an extortion payment by or on behalf of the **Insured** as the result of any other **Extortion Threat** to do bodily harm to, wrongfully abduct or detain any **Insured Person**;
  - (iii) as an extortion payment by the **Insured** as the result of an **Extortion Threat** made specifically against the **Insured** or any **Insured Property** to damage, destroy or **Contaminate** such **Insured Property**;
  - (iv) as an extortion payment by the **Insured** as the result of an **Extortion Threat** made specifically against the **Insured** to disseminate, divulge or utilise **Proprietary Information** of the **Insured**; or
  - (v) as an extortion payment by the **Insured** as the result of a **Computer Virus Threat** made specifically against the **Insured**.
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**(B) DELIVERY COVERAGE**

The Company shall be liable for loss caused by the actual destruction, disappearance, confiscation or wrongful abstraction of property or other consideration intended as a ransom or extortion payment covered under Insuring Clause (A) while being held or conveyed by any person(s) duly authorised by the **Insured** to have custody of such property or other consideration.

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**(C) EXPENSE COVERAGE**

The Company shall be liable for the following expenses incurred by the **Insured** solely and directly as the result of a ransom or extortion demand which would constitute a loss under Insuring Clause (A):

- (i) reasonable fees and expenses of any independent negotiators or consultants retained by the **Insured**;
- (ii) reasonable fees and expenses of any independent public relations consultant;
- (iii) interest costs for any loan taken by the **Insured** to pay that part of a ransom or extortion payment recoverable under Insuring Clause (A);
- (iv) reasonable travel and accommodation expenses incurred by the **Insured**;
- (v) the reward paid by the **Insured** to an **Informant** for information not otherwise available which leads to the arrest and conviction of persons responsible for such demand;
- (vi) the **Salary** which the **Insured** continues to pay an **Employee** while the **Employee** is being held to ransom as the result of a **Kidnapping**, provided that coverage shall only apply at the salary level in effect prior to the **Kidnapping** and only for a period commencing upon the abduction of the **Employee** and ending at the time the **Employee** is released, discovered to be dead, one hundred and twenty days (120) after the last positive evidence following the abduction that the **Employee** is alive, or sixty (60) months after the abduction, whichever is earliest;
- (vii) sums which the **Insured Person** becomes obligated to pay on account of an **Insured Person's** inability to attend to personal financial matters which result in any actual **Consequential Personal Financial Loss**;



- (viii) reasonable medical, psychiatric, and legal expenses incurred by an **Insured Person** with the approval of the **Insured** for a twelve (12) month period following the release of an **Insured Person**;
  - (ix) reasonable fees for independent medical and legal advice incurred by the **Insured** with the approval of the Company; or
  - (x) any other reasonable expenses incurred by the **Insured** with the approval of the Company.
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**(D) LEGAL LIABILITY**

The Company shall be liable for sums which the **Insured** shall become legally obligated to pay on account of judgments resulting from any suit for damages, and reasonable defence costs incurred by the **Insured** in defending such suit, brought by an **Insured Person** (or the estate, heirs or legal representatives of such **Insured Person**) alleging negligence or incompetence in hostage retrieval operations or negotiations following the **Kidnapping** of such **Insured Person** or negligence in not preventing the **Kidnapping** of such **Insured Person** or as the result of any extortion attempt to do bodily harm to an **Insured Person**, provided that the **Insured** agrees, as a condition precedent to coverage hereunder, to cooperate with the Company in conducting the defence or in negotiating the settlement of such suit.

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**(E) POLITICAL THREAT COVERAGE**

The Company shall be liable for the following expenses incurred by the **Insured** solely and directly as the result of a **Political Threat** initiated against the **Insured** and/or any **Protected Person**:

- (i) reasonable fees and expenses of any independent negotiators or consultants retained by the **Insured**;
  - (ii) reasonable costs, other than the fees and expenses of independent negotiators and consultants, incurred by the **Insured** in negotiating or securing the release of a **Protected Person** who has been wrongfully detained;
  - (iii) the **Salary** which the **Insured** continues to pay an **Employee** while such **Employee** is being wrongfully detained, provided that coverage hereunder shall only apply at the salary level in effect prior to the wrongful detention and only for a period commencing upon the wrongful detention of such **Employee** and ending at the time such **Employee** is released, or discovered to be dead, one hundred and twenty (120) days after the last positive evidence following such detention that such employee is alive, or sixty (60) months after the wrongful detention, whichever is earliest; or
  - (iv) any other reasonable expenses incurred by the **Insured** with the approval of the Company.
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**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**:

**Computer Virus Threat** means a threat or threats made by a person or group demanding an extortion payment or a series of such payments as a condition for the mitigation or removal of such threats to alter, adulterate, or destroy any of the **Insured's** computer programs through the introduction, into the **Insured's** computer systems, of instructions or data which are not authorised by the **Insured**.

**Consequential Personal Financial Loss** means, but is not limited to, pecuniary loss incurred by an **Insured Person** resulting directly from the failure to renew insurance contracts, failure to exercise stock options, and failure to respond to margin or loan calls by financial institutions.

**Contaminate** means to introduce a foreign material or substance in such a way as to render **Insured Property** unfit for use or sale.



**Designated Persons** means the natural persons identified as such in Item 3 of the Schedule for this **Coverage Section**.

**Employee** means any natural person in the regular service of any **Insured** during the **Policy Period** whom the **Insured** compensates by salary, wages or commissions and has the right to govern in the performance of such service, and any non-compensated officer of the **Insured**.

**Excluded Territory** means Algeria; Colombia; Georgia; India; Indonesia; Iraq; Israel; Malaysia; Pakistan; Peru; Philippines; Russia; Sri Lanka; Uzbekistan; Haiti; Iran; Ivory Coast or Thailand together with any additional territories identified as such in Item 4 of the Schedule for this **Coverage Section**.

**Extortion Threat** means a threat or threats (including actual or alleged **Kidnapping**), as set forth in Insuring Clause (A), made by a person or group demanding a ransom or extortion payment or a series of such payments as a condition for the mitigation or removal of such threats. All such threats (a) related by a common committed, attempted or threatened wrongful act or (b) made contemporaneously against the same **Insured, Insured Property** or **Insured Person** shall be deemed to constitute a single **Extortion Threat** if made by the same person or group.

**Informant** means any person providing information solely in return for monetary payment paid or promised by the **Insured**.

**Insured** means the entity designated as the **Principal Organisation** in Item 1 of the Schedule for the General Terms and Conditions and any **Subsidiary**.

**Insured Person** either in the singular or plural, means:

- (a) **Designated Person**, as specified in Item 3 of the Schedule for this **Coverage Section**;
- (b) **Relative** of a **Designated Person**;
- (c) person legally resident in the household of a **Designated Person**;
- (d) guest in the home of a **Designated Person**; and
- (e) guest or customer of the **Insured** while on the **Premises** of the **Insured**.

**Insured Property** means all **Premises** and **Merchandise** of the **Insured** and any other tangible real or personal property owned by the **Insured** or for which the **Insured** is legally liable located on such **Premises** or on any land adjacent thereto occupied by the **Insured** in conducting its business.

**Kidnapping** means the wrongful abduction and holding under duress or by fraudulent means of any **Insured Persons** by any person or group making a ransom demand or series of ransom demands for the release of such **Insured Persons**.

**Merchandise** means the **Insured's** inventory, raw materials, work in progress and any products manufactured or distributed by the **Insured**.

**Political Threat** means the wrongful, politically motivated detention of, or threat to detain or do bodily harm to any person made by any person or group:

- (a) acting as agent of or with tacit approval of any government or governmental entity; or
- (b) acting or purporting to act on behalf of any political, terrorist or insurgent party, organisation or group.

All such threats (i) related by a common committed, threatened or attempted wrongful act or (ii) made contemporaneously against the same **Insured** and/or **Protected Person** shall be deemed to constitute a single **Political Threat** if made by the same person or group.

**Premises** means that portion of any building occupied by the **Insured** in conducting its business.



**Proprietary Information** means any confidential, private, or secret information unique to the **Insured's** business contained on or in drawings, negatives, microfilm, tapes, transparencies, manuscripts, prints, computer disks and other records of a similar nature which are protected by physical or electronic controls.

**Protected Person** means a **Designated Person**, as specified in Item 3 of the Schedule for this **Coverage Section** or any **Relative** of a **Designated Person**.

**Relative** means a person's spouse, sibling, ancestor, spouse's ancestor, lineal descendent or lineal descendant's spouse. Adopted children and stepchildren shall be deemed to be lineal descendants. Adoptive parents or stepparents shall be deemed to be ancestors.

**Salary** means the direct compensation which the **Insured** pays to an **Employee** for personal services rendered, including normal bonus, commissions, standard incentive payments, health benefits, welfare benefits or pension benefits.

**Subsidiary** means 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 **Insureds**.

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### III. EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES

(A) Coverage under this **Coverage Section** does not apply to:

- |                            |   |
|----------------------------|---|
| <b>Employee Dishonesty</b> | (a) loss due to any fraudulent, dishonest or criminal act by an identifiable <b>Employee</b> , director, trustee authorised representative or messenger of the <b>Insured</b> acting alone or in collusion with others, unless the loss is in excess of the amount recovered or received by the <b>Insured</b> under any other bond, insurance or indemnity which would cover the loss in whole or in part, in which case this coverage section shall cover only such excess; |
| <b>False Threats</b>       | (b) loss resulting from fraud or collusion by the person allegedly the subject of an <b>Extortion Threat</b> or <b>Political Threat</b> if the person authorising the ransom or extortion payment had not, prior to the payment, made every reasonable effort under the circumstances to determine that the <b>Extortion Threat</b> or <b>Political Threat</b> was genuine; or  |
| <b>Excluded Territory</b>  | (c) loss of any property, any payments made, or legal obligations or expenses incurred in any <b>Excluded Territory</b> .   |
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### IV. EXCLUSIONS APPLICABLE TO INSURING CLAUSE (A)

Coverage under Insuring Clause (A) does not apply to loss of property and other consideration:

- |                    |   |
|--------------------|---|
| <b>Robbery</b>     | (a) surrendered away from the <b>Premises</b> in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such property or other consideration at the time of such surrender for the sole purpose of conveying it to pay a previously communicated ransom or extortion demand and unless actually surrendered to those responsible for such demand or their designee; or |
| <b>On Premises</b> | (b) surrendered on the <b>Premises</b> unless brought onto the <b>Premises</b> after receipt of the ransom or extortion demand for the purpose of paying such demand.   |
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### V. EXCLUSIONS APPLICABLE TO INSURING CLAUSES (B), (C) (D) AND (E)

**Kidnap, property** Coverage under Insuring Clauses (B) and (C), (D) and (E) does not apply to loss of



**ForeFront Portfolio**  
***Kidnap/Ransom and Extortion Coverage Section***

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**Ransom &  
Extortion**

and other consideration actually surrendered as a ransom or extortion payment covered under insuring Clause (A).



**VI. EXCLUSIONS APPLICABLE TO INSURING CLAUSE (E)**

Coverage under Insuring Clause (E) does not apply to:

- Government** (a) any costs or expenses arising from or attributable to any detention or threat by any agency or instrumentality of the government of the country in which such detention or threat occurs or by any person or group acting with the apparent tacit or expressed approval of such government based upon any actual or alleged:
- (i) violation of law by the **Insured**, any **Insured Person** or any person for whom they are legally responsible, or
  - (ii) failure of any person to maintain and possess any required documents, passports or visas; or
- Expenses** (b) expenses or costs covered under Insuring Clauses (C) or (D).
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**VII. INSURED KNOWLEDGE**

Knowledge possessed or discovery made by any **Insured** or by any partner or officer of any **Insured** shall constitute knowledge possessed or discovery made by all of the **Insureds** for the purposes of this **Coverage Section**.

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**VIII. PERSONAL ASSETS**

In the event of a ransom or extortion demand directed against any **Insured Person** rather than against the **Insured**, property or other consideration surrendered or intended to be surrendered by or on behalf of such **Insured Person** and expenses described in (i), (ii), (iii), (iv), (v), (vii), (viii), and (x) of Insuring Clause (C) incurred by or on behalf of such **Insured Person** shall, at the option of the **Insured**, be considered property or other consideration surrendered or intended to be surrendered on behalf of the **Insured** and expenses incurred by the **Insured**.

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**IV. LIABILITY FOR PRIOR LOSSES**

The liability of the Company for loss arising from an **Extortion Threat** or **Political Threat** which occurred or was communicated to the **Insured**, directly or indirectly, prior to: (1) the effective date of this **Coverage Section**; or (2) the effective date additional **Insureds** or coverages are subsequently added, is subject to the following:

- (a) the **Insured** or some predecessor in interest of the **Insured** carried some other policy which, at the time of the **Extortion Threat** or **Political Threat** afforded the **Insured** some or all of the coverage of the Insuring Clause of this **Coverage Section** applicable to the loss;
- (b) such prior coverage and the right of claim continued under the same or some superseding policy without interruption from the time of the **Extortion Threat** or **Political Threat** until the date specified in (1) or (2) above; and
- (c) the **Extortion Threat** or **Political Threat** shall have been discovered by the **Insured** after the expiration of the time allowed for discovery under the last such policy.

The liability of the Company with respect to such loss shall not exceed the Limit of Liability under the coverage in force at the time of the **Extortion Threat** or **Political Threat**, or the Limit of Liability under the Insuring Clause of this **Coverage Section** applicable to the loss, whichever is smaller.



**X. LIMITS OF LIABILITY**

The payment of any loss under this **Coverage Section** shall not reduce the liability of the Company for other losses; provided, however, that the maximum liability of the Company shall not exceed the dollar amount set forth in Item 1 of the Schedule for this **Coverage Section**:

- (a) applicable to Insuring Clause (A), Kidnap, Ransom and Extortion Coverage, for all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Extortion Threat** or a series of related **Extortion Threats**;
  - (b) applicable to Insuring Clause (B), Delivery Coverage, for all losses of property and other consideration intended as ransom and extortion payments arising from one **Extortion Threat** or a series of related **Extortion Threats**;
  - (c) applicable to Insuring Clause (C), Expense Coverage, for all expenses arising from one **Extortion Threat** or a series of related **Extortion Threats**;
  - (d) applicable to Insuring Clause (D), Legal Liability Coverage, for all sums including defence costs arising from one **Extortion Threat** or a series of related **Extortion Threats**;
  - (e) applicable to Insuring Clause (E), Political Threat Coverage, for all expenses arising from one **Political Threat** or a series of related **Political Threats**.
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**XI. MULTIPLE EXTORTION OR POLITICAL THREATS**

Any **Extortion Threats** or **Political Threats** made by the same person, group or collaborating groups with the apparent purpose of creating a cumulative or continuing coercive effect upon, or political effect involving, the **Insured, Insured Persons** or **Insured Property** shall be considered related threats.

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**XII. NON-ACCUMULATION OF LIABILITY**

When there is more than one **Insured**, the aggregate liability of the Company for loss or losses sustained by any or all of them shall not exceed the amount for which the Company would be liable if all losses were sustained by any one of them.

Regardless of the number of years coverage shall continue in effect and the total premium amounts due or paid, the amount the Company shall pay for any loss shall not be cumulative from year to year or from policy period to policy period.

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**XIII. DEDUCTIBLE**

From all losses sustained by the **Insured** arising from any one **Extortion Threat** or series of related **Extortion Threats**, after deducting all recoveries (except insurance or sureties held by the **Insured** or the Company for their benefit) on account thereof made prior to payment, shall be deducted the amount specified in Item 2 of the Schedule for this **Coverage Section**.

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**XIV. LOSS SUSTAINED**

A loss shall be deemed to have been sustained:

- (a) under Insuring Clause (A) at the time of the surrender of the ransom or extortion payment;
- (b) under Insuring Clause (B) at the time of the actual destruction, disappearance, confiscation or wrongful abstraction of the property or other consideration;
- (c) under Insuring Clause (C) at the time of the payment of incurred expenses by the **Insured**;



- (d) under Insuring Clause (D) at the time the **Insured** has made payment for any incurred expense or judgment; and
  - (e) under Insuring Clause (E) at the time of the payment of incurred expenses by the **Insured**.
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**XV. DISCOVERY PERIOD**

This **Coverage Section** does not cover any loss arising from any **Extortion Threat** or **Political Threat** unless such threat occurs or is communicated directly or indirectly to the **Insured** or an **Insured Person** prior to the effective date of termination of coverage hereunder and is discovered by the **Insured** and communicated to the Company in writing prior to one (1) year after the effective date of the termination of this **Coverage Section** in its entirety.

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**XVI. NOTICE – PROOF**

It is a condition of coverage hereunder that, at the earliest practicable moment after the occurrence of any loss hereunder, the **Principal Organisation** will:

- (a) give the Company written notice thereof;
  - (b) furnish a proof of loss with full particulars to the Company within six (6) months after such occurrence;
  - (c) submit to examination under oath at the Company's request;
  - (d) produce all pertinent records at such reasonable times and places as the Company designates; and
  - (e) fully co-operate with the Company in all matters pertaining to a claim for loss.
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**XVII. VALUATION**

The Company shall pay on the bases of valuation set out below in respect of the following categories of covered loss:

- (a) loss in respect of **Securities**: the least of: (1) the actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which the loss is **Discovered**; (2) the cost of replacing the **Securities**; or (3) the cost to post a Lost Instrument Bond. Such costs shall be paid by the Company on behalf of an **Insured**;
- (b) loss in respect of books of account or other records: the cost of blank books, pages, CD Roms or discs or other blank materials to replace lost or damaged books of account or other records; or
- (c) loss in respect of other personal property: the least of the price paid by an **Insured** for personal property or the cost to repair or replace such property with property of similar quality and value at the time of loss.