



QBE Insurance (Australia) Limited

Supplementary Legal Expenses

Insurance Policy

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IMPORTANT INFORMATION

Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by AFCA decisions - but you're not. You can contact AFCA directly and they'll advise you if your dispute falls within their Rules.

Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE's CCU, AFCA or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, Parramatta NSW 2124

How to contact AFCA

Phone	1800 931 678 (free call)
Email	info@afca.org.au
Online	www.afca.org.au
Post	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

How to contact the OAIC

Phone	1300 363 992 Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Claims Made

This Policy operates on a 'claims made and notified' basis. This means that the Policy covers you for claims made against you and notified to us during the period of insurance.

The Policy does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the Policy (if such a date is specified);
- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of insurance;
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this Policy; and
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practical after you become aware of those facts but before the expiry of the period of insurance, you may have rights under section 40(3) of the *Insurance Contracts Act 1984* (Cth) to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance. Any such rights arise under the legislation only. The terms of the Policy and the effect of the Policy is that you are not covered for claims made against you after the expiry of the period of insurance.

PREAMBLE

Whereas QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 (hereinafter referred to as QBE) has received a written proposal and other documents which shall be the basis of this contract and which are incorporated in and form part of this contract:

In consideration of payment of the premium and subject to the Schedule, limitations, conditions, provisions and other terms of this Policy, QBE hereby agrees to the extent and in the manner herein provided to pay to or on behalf of the Insured or the Named Organisation all Loss (as defined), provided that the total liability of QBE shall not exceed the Limit(s) of Indemnity specified in the Schedule.

1. INSURING CLAUSES

Provided that the Event which has given rise to the Claim under this Policy occurred after the Retroactive Date, QBE agrees subject to the terms, conditions and limitations of this Policy, to pay the Loss incurred on behalf of;

1.1 the Insured on account of any Claim first made against them during the Period of Insurance and which is notified to QBE during that Period by reason of;

1.1.1 any Wrongful Act committed, attempted or allegedly committed or attempted by the Insured, or

1.1.2 the Insured's attendance at any prosecution, inquiry (criminal or otherwise), investigation, examination or other proceedings before a Court or Regulatory Authority or Tribunal at the direction of that Court or Regulatory Authority or Tribunal,

but only when the Insured is not be indemnified by the Named Organisation.

1.2 the Named Organisation on account of any Claim first made against the Insured during the Period of Insurance and which is notified to QBE during that Period by reason of;

1.2.1 any Wrongful Act committed, attempted or allegedly committed or attempted by the Insured, or

1.2.2 the Insured's attendance at any prosecution, inquiry (criminal or otherwise), investigation, examination or other proceedings before a Court or Regulatory Authority or Tribunal at the direction of that Court or Regulatory Authority or Tribunal,

but only when the Named Organisation is entitled to indemnify the Insured.

1.3 the Named Organisation on account of any Claim first made against it during the Period of Insurance and which is notified to QBE during that Period in relation to any Employment Dispute committed, attempted or allegedly committed or attempted by the Named Organisation.

1.4 the Named Organisation on account of any Claim first made against it during the Period of Insurance and which is notified to QBE during that Period in relation to its attendance at any prosecution, inquiry (criminal or otherwise), investigation, examination or other proceedings before a Court or Regulatory Authority or Tribunal at the direction of that Court or Regulatory Authority or Tribunal

2. QBE's CONSENT TO INDEMNITY

2.1 QBE shall not be liable to indemnify the Insured and /or the Named Organisation under this Policy unless the Insured and /or the Named Organisation have obtained QBE's specific consent which QBE is only obliged to give if the Insured and /or the Named Organisation have Reasonable Grounds for defending any Claim made or instituted against the Insured and /or the Named Organisation, or there are Reasonable Grounds for the Successful Outcome of any matter. In considering any request for indemnity QBE will have regard to the opinion of the Appointed Representative as well as that of their own advisers, particularly with regard to the prospects of success of the Claim.

2.2 If QBE refuses to grant a request for the provision of indemnity, QBE shall give the Insured and /or the Named Organisation detailed reasons for their refusal. QBE shall also give the Insured and /or the Named Organisation access to their advisers so that representations can be made to them. If QBE still refuses to consent, the Insured and /or the Named Organisation may obtain the opinion of a Senior Counsel (acceptable to both parties or failing agreement, to be appointed by the President of the Law Society or Law Institute within the relevant State or Territory). QBE shall give their consent if that Senior Counsel is of the opinion that the Insured and /or the Named Organisation has Reasonable Grounds for defending any Claim made or instituted against the Insured and /or the Named Organisation, or that there are Reasonable Grounds for the successful outcome of the matter. (In this event, QBE will be responsible for the Senior Counsel's fees).

2.3 If the Insured and /or the Named Organisation continues with the Claim that is the subject of the unsuccessful request for indemnity and the Insured and /or the Named Organisation are successful in respect of such Claim, the indemnity provided by the Policy shall be deemed to have been extended as if QBE had given their specific consent in the first instance. For the purpose of this clause "successful" means that the outcome of the Claim establishes that at the time at which QBE refused consent, the Insured and /or the Named Organisation had Reasonable Grounds for defending the Claim.

3. LIMIT OF QBE's LIABILITY

3.1 For the purposes of this Policy, all Loss arising out of;

3.1.1 all interrelated Wrongful Acts of any Insured, or

3.1.2 all interrelated Employment Disputes of the Named Organisation, or

3.1.3 all interrelated prosecutions or inquiries,

shall be deemed one Loss, and such Loss shall be deemed to have originated on the earliest date at which a Claim(s) is made against any Insured or Named Organisation.

The maximum limit of QBE in respect of any one Loss shall be limited to the amount specified in the Schedule.

3.2 The total cumulative limit of QBE's liability in respect of all Loss(es) under this Policy in respect of the same Period of Insurance shall not exceed the amount specified in the Schedule.

4. DEDUCTIBLE (EXCESS) AND CO-INSURANCE

The Insured and the Named Organisation, each for their own account, shall first bear the Deductible (Excess) and then thereafter the Co-insurance percentage, as specified in the Schedule, of all the Loss.

5. EXCLUSIONS

5.1 QBE shall not be liable to make any payment hereunder in respect of;

5.1.1 any Claim made against the Insured and /or the Named Organisation arising out of injury, disease or death of any of the Named Organisation's employees or of any person who is deemed under any applicable law to be an employee of the Named Organisation.

Provided that this exclusion does not apply to any Claim which may be brought by reason of an Employment Dispute nor to any prosecution, inquiry, investigation, examination or proceeding as stated in Insuring Clauses 1.1 and 1.4.

5.1.2 any Claim made, commenced or brought outside the Territorial / Jurisdictional Limits.

5.1.3 any criminal prosecution that has been deliberately or intentionally solicited by the Insured and /or the Named Organisation unless the action is required to discharge duties of the director, officer or employee as defined in the relevant Companies and Securities Legislation.

5.1.4 any Loss incurred or paid before the consent of QBE has been given in accordance with the provisions of this Policy.

5.1.5

5.1.5.1 any Wrongful Act occurring prior to or existing at the inception of this Policy and which the Insured and /or the Named Organisation knew or ought reasonably to have known, was likely to give rise to a Claim being brought against the Insured and /or the Named Organisation, or

5.1.5.2 any Claim or circumstances likely to give rise to a Claim known to any Insured prior to or existing at the inception of this Policy, or

5.1.5.3 any Claim or circumstances likely to give rise to a Claim stated in the proposal form or declaration, being the basis of this contract.

5.1.6 the dismissal of any employee within thirty (30) days after the commencement of employment of such employee with the Named Organisation or the termination of any employment by any employee within thirty (30) days after the commencement of employment of such employee with the Named Organisation where the employee alleges that the reason for termination was or included the conduct of the Insured and /or the Named Organisation.

5.1.7 loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, or any legal liability of whatsoever nature, directly or indirectly caused by or contributed to by or arising from;

5.1.7.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,

5.1.7.2 the radioactive, toxic, explosive or other hazardous properties of any explosive, nuclear assembly or nuclear component thereof,

5.1.7.3 war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority, or any act of terrorism.

5.1.8 the defence of the Insured and /or the Named Organisation in respect of any matter which is subject to coverage by any of the policies listed in the Schedule.

5.1.9 any Claim which has been the subject of payment under a policy listed in the Schedule and for which the indemnity limit or sum insured for that policy has been exhausted.

5.1.10 any excess or deductible payable by the Insured and /or Named Organisation under any policy of insurance.

5.1.11

5.1.11.1 any Claim directly or indirectly based upon or attributable to the Insured gaining any personal profit or advantage or receiving any remuneration to which he/she was not legally entitled;

5.1.11.2 any Claim arising out of the dishonesty of the Insured.

However this Exclusion 5.1.11 shall only apply where the subject conduct has been established by a judgement or other final adjudication adverse to the Insured.

5.1.12 any Claim made against the Named Organisation arising out of or in connection with any strike, lock out or industrial dispute provided that this Exclusion 5.1.12 shall only apply to Insuring Clause 1.4 of the Policy.

5.1.13 any Claim made against the Named Organisation under the Competition and Consumer Act 2010 or the Fair Trading Act of any State or Territory of Australia, or the Australian Taxation System (Goods and Services Tax) Act 1999, provided that this Exclusion 5.1.13 shall only apply to Insuring Clause 1.4 of the Policy.

5.1.14 any Claim arising from or out of the issue of any prospectus type document including information and data collated in the process of preparing same.

5.1.15 any Loss arising out of a commercial or contractual dispute.

5.1.16 any Claim made against the Insured and /or the Named Organisation arising from or attributed to the Named Organisation's participation in any Joint Venture. Provided that this exclusion shall not apply to Outside Directorship as stated in Extension 7.3..

5.2 With respect to Exclusions 5.1.1, 5.1.3, 5.1.5 and 5.1.11, no fact pertaining to or knowledge possessed by any one of the Insured shall be imputed to any other Insured for the purpose of determining the availability of coverage for or with respect to Claim(s) made against such other Insured.

5.3 QBE shall not be liable to pay any damages, compensation (other than Fees and Expenses), fines penalties imposed by law, civil penalties, liability for group or sales tax, punitive or exemplary damages.

5.4 This Policy does not provide indemnity in respect of any Claim resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

5.5 This Policy excludes death, injury, illness, loss, damage, liability, cost or expense directly caused by, contributed to by, resulting from or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

- 5.5.1 involves violence against one or more persons; or
- 5.5.2 involves damage to property; or
- 5.5.3 endangers life other than that of the person committing the action; or
- 5.5.4 creates a risk to health or safety of the public or a section of the public; or
- 5.5.5 is designed to interfere with or to disrupt an electronic system.

This Policy also excludes death, injury, illness, loss, damage, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

5.6 You're not insured under any section of this Policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America, or any local autonomous sanctions.

6. DEFINITIONS

6.1 'Act' means any Act of the Parliament of the Commonwealth of Australia 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 any amendment, consolidation or re-enactment of any of the Acts or legislation.

6.2 'Appointed Representative' means the Solicitors, Assessors, Consultants, or Investigators instructed to act for the Insured and /or the Named Organisation in accordance with the terms of this Policy.

6.3 'Claim' means;

- 6.3.1 any writ, summons, application or other originating legal or arbitral proceedings, cross claim or counter claim issued against or served upon any of the parties insured by this Policy; or
- 6.3.2 any written or verbal demand communicated to any of the parties insured by this Policy under any circumstance or by whatever means; or
- 6.3.3 any notice by which a Court or Regulatory Authority or Tribunal directs any of the parties insured by this Policy to appear before that Court or Regulatory Authority or Tribunal.

6.4 'Employment Dispute' means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment, or discrimination in respect of Directors, Executive Officers, the Company Secretary and all other employees (be they past, present or prospective) of the Named Organisation. All such causally connected wrongful acts shall be deemed interrelated Employment Disputes.

6.5 'Event' is any Wrongful Act, attendance, direction or other act, error or omission. Where there is more than one Event, the Event is the one which occurred first.

6.6 'Fees and Expenses' means;

- 6.6.1 any legal fees, expenses and other disbursements reasonably charged to the Insured and /or the Named Organisation by an Appointed Representative in connection with any Claim made against the Insured and /or the Named Organisation including costs and expenses of expert witnesses as well as those incurred by QBE in connection with any such Claims;
- 6.6.2 any costs incurred by other parties insofar as the Insured and /or the Named Organisation is held liable to pay such costs by reason of an order of any arbitrator, Court, Regulatory Authority, Tribunal, board, professional or official body, institution or otherwise becomes liable to pay the costs under a settlement made with the other party;
- 6.6.3 any fees, expenses and other disbursements reasonably incurred in appealing or resisting an appeal against the judgement of a relevant arbitrator, Court, Regulatory Authority, Tribunal, board, professional or official body or institution as the case may be.

6.7 'Insured' means all past, present and future Directors, Executive Officers (as defined in the Corporations Law), the Company Secretary and all other employees of the Named Organisation.

6.8 'Joint Venture' means any enterprise undertaken jointly by the Named Organisation and another party or parties.

6.9 'Loss' means the total amount of Fees and Expenses on account of each Claim.

Loss does not include damages, compensation (other than Fees and Expenses), fines, penalties imposed by law, civil penalties, liability for group or sales tax, punitive or exemplary damages or matters uninsurable under law pursuant to which this Policy is construed.

6.10 'Named Organisation' means the organisation designated in the Schedule and /or any subsidiary company(ies) as defined existing prior to or at the inception of this Policy.

6.11 'Outside Directorship' means the executive position held by the Insured at the specific request of the Named Organisation in any corporation, joint venture, partnership, trust or other enterprise which is not included in the definition of the Named Organisation.

6.12 'Period of Insurance' means the period specified in the Schedule.

6.13 'Reasonable Grounds for defending any Claim' and 'Reasonable Grounds for the successful outcome of the matter' means;

- 6.13.1 the Insured and /or the Named Organisation has reasonable prospects of success in avoiding or reducing any liability alleged in the Claim made or brought against the Insured and /or the Named Organisation, or
- 6.13.2 the Insured and /or the Named Organisation has reasonable prospects of success in reducing the quantum of the Claim made or brought against the Insured and /or the Named Organisation,

and that having regard to the likely legal costs thereof it is reasonable for the Claim to be defended.

Provided in either event that the Claim is not capable of being avoided or terminated by a settlement into which a reasonable person in the position of the Insured and /or the Named Organisation, properly advised, would enter.

6.14 '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.

6.15 'Retroactive Date' as shown in the Schedule means the date after which coverage in respect of any Wrongful Act or Employment Dispute, or in the case of Insuring Clause 1.4 any actor thing, was committed, attempted or allegedly committed or attempted, may be granted. However, unless otherwise agreed in writing by QBE, such date in respect of any entity acquired by the Named Organisation shall be the date of acquisition of that entity.

6.16 'Subsidiary Company' means any organisation that is controlled by the Named Organisation through ownership or control of more than 50% of the issued voting shares, but such term shall include any organisation whose financial accounts are incorporated in those of the Named Organisation by virtue of accounting standard AASB 1024 or any equivalent standard.

6.17 'Territorial / Jurisdictional Limits' means anywhere in Australia or New Zealand.

6.18 'Terrorism' means an act, including but not limited to the use of force or violence and /or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and /or to put the public, or any section of the public, in fear.

6.19 'Tribunal' includes any board, professional or official body or institution of any of the parties insured by this Policy.

6.20 'Wrongful Act(s)' means any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty of authority or other act done or wrongly attempted by the Insured in the course of their duties to the Named Organisation, or any matter claimed against the Insured solely by reason of their serving the Named Organisation. Without limiting the generality of the foregoing, the term 'Wrongful Acts' includes an 'Employment Dispute'. All such causally connected wrongful acts shall be deemed interrelated Wrongful Acts.

6.21 'Merger or Acquisition' means

6.21.1 the Insured consolidating with, merging with, or selling all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert;

6.21.2 the Insured becomes a subsidiary of another Entity by virtue of Australian law.

6.22 'Receiver' means:

6.22.1 a receiver, or receiver and manager of any property of the Insured;

6.22.2 an administrator of the Insured; or

6.22.3 an administrator of a deed or company arrangement executed by the Insured; or

6.22.4 a provisional liquidator or liquidator of the Insured; or

6.22.5 a trustee or other person administering a compromise or arrangement made between the insured and someone else; or

6.22.6 any other external administrator of the Insured.

7. EXTENSIONS

Subject otherwise to the terms and conditions of this Policy;

7.1 Estate, heirs, legal representatives or assigns

QBE shall indemnify the estate, heirs, legal representatives or assigns of any deceased, incompetent or insolvent Insured.

7.2 Acquired Companies

Provided that notice has been given to QBE as soon as practicable, it is understood and agreed that the definition of the Named Organisation is extended to include any subsidiary company acquired or created subsequent to the inception of this Policy but the indemnity granted by virtue of this Extension shall only apply in respect of a Wrongful Act or Employment Dispute committed or alleged to have been committed by the Insured and /or the Named Organisation in respect of such subsidiary company subsequent to the acquisition or a prosecution or inquiry brought or commenced subsequent to the acquisition;

PROVIDED THAT:

7.2.1 QBE shall be entitled to such additional information as it may require in respect of such acquired or created subsidiary company and shall have the right to charge an additional premium;

7.2.2 this extension shall not apply if the acquired or created subsidiary company is not insured by the insurance policies listed in the Schedule.

7.3 Outside Directorship

QBE shall indemnify the Insured and /or the Named Organisation for Fees and Expenses against Loss as provided for in this Policy arising from any Outside Directorship held by the Insured;

PROVIDED THAT:

7.3.1 such indemnity shall not be extended to the outside organisation in which such Outside Directorship is held, or to any other director, officer or employee of such organisation;

7.3.2 this extension shall only apply if the Directors & Officers Liability policy listed in the Schedule has been extended to cover such outside Directorships or the outside organisation has arranged Directors & Officers insurance for its directors and officers including the Insured.

7.3.3 a Directors & Officers Liability policy is current at the time when;

7.3.3.1 the Claim is first made against the Insured in respect to those 'outside' companies of which the Insured is a director; or

7.3.3.2 the circumstance(s) (which leads to the claim) is first notified.

7.4 Preservation of Indemnity

If an Insured is unable to satisfy a right to indemnity against the Named Organisation to which he or she is entitled, whether at Common Law or Statute, or otherwise, by reason only of the Named Organisation being placed in liquidation (other than voluntary liquidation) and having insufficient funds available so to indemnify the Insured, then it is hereby agreed that QBE shall indemnify the Insured against Fees and Expenses arising from any Claim.

The burden of adducing satisfactory proof to obtain the benefit of this Extension shall rest entirely with the Insured and shall include the production of documentary evidence of the Named Organisation's assets and liabilities and any official statements issued by the liquidator.

7.5 Continuous Cover

7.5.1 In the absence of fraudulent non-disclosure and subject to clause 7.5.2 and 7.5.3 below, where;

7.5.1.1 a Claim is made against the Insured and /or Named Organisation by reason of an act, error or omission of the Insured or Named Organisation which occurred prior to the Period of Insurance stated in the Schedule; and

7.5.1.2 QBE was the Named Organisation's Supplementary Legal Expenses insurer at the time when the Named Organisation first became aware of the circumstance which subsequently gave rise to a Claim ('Circumstances'); and

7.5.1.3 QBE continued without interruption as the Named Organisation's Supplementary Legal Expenses insurer from the time when the Insured and /or the Named Organisation first became aware of the Circumstances up until such time as the Claim is made against the Insured and /or Named Organisation and notified to QBE;

QBE agrees to indemnify the Insured and /or Named Organisation against the Claim subject to and on the terms and conditions of this Policy.

7.5.2 QBE reserves the right to reduce its liability in respect of the Claim by the amount which fairly represents the extent to which QBE's interests are prejudiced as a result of the late notification.

7.5.3 Where clauses 7.5.1 and 7.5.2 above apply, QBE agrees that it will not deny indemnity for the Claim as a consequence of any non-disclosure on the part of the Insured or Named Organisation with respect to the Claim.

8. CONDITIONS

(To be read in conjunction with 'QBE's CONSENT TO INDEMNITY')

8.1 Precautionary Measures to Prevent Claims

The Insured and /or the Named Organisation must take all reasonable precautionary measures to avoid or lessen the chance of any Claim being made. The Insured and /or the Named Organisation shall not pursue a course of action which they know or ought reasonably to know will bring about any Claim unless this is undertaken to discharge their duties as defined in the relevant Companies and Securities legislation.

8.2 Change in Circumstances

The Insured shall give written notice as soon as practicable of any material alteration to the risk during the Period of Insurance including the Insured going into voluntary bankruptcy, receivership, liquidation or any other form of external administration of the Insured failing to pay its debts or breaching any other obligation giving rise to the appointment of a Receiver or bankruptcy or winding-up proceedings.

8.3 Claims and conduct of the Legal Proceedings

8.3.1 Notification of Claim

The Insured Person or the Named Organisation must give written notice as soon as practicable to:

Professional Lines Claims
GPO Box 219
PARRAMATTA NSW 2124

Or by email to piclaims@qbe.com

after becoming aware of circumstances which might give rise to a claim.

8.3.2 Nomination of Solicitor to Act

The Insured may request QBE to nominate the Appointed Representative to act on behalf of the Insured. Alternatively, if the Insured wants to nominate the Appointed Representative the Insured must obtain QBE's consent to the appointment of the Appointed Representative, which consent will not be unreasonably withheld.

However, in any event QBE's maximum liability for any legal fees charged by the Appointed Representative is restricted to five hundred (500) dollars per hour or the Appointed Representative's usual charge out hourly rate, whichever is the lesser.

QBE may accept or refuse any nomination of any person or firm to act as Appointed Representative without giving any reason. If thereafter agreement cannot be reached on the appointment, the President of the Law Society or Law Institute within the relevant State or Territory will be requested to nominate an Appointed Representative. During the period QBE will be entitled but not bound to instruct an Appointed Representative on the Insured's and/or the Named Organisation's behalf if QBE considers it necessary to do so to safeguard the Insured's and/or the Named Organisation's immediate interests.

8.3.3 All information and assistance to be given to Appointed Representative

The Insured and /or the Named Organisation shall at all times and at their expense give to the Appointed Representative all such information and assistance as reasonably required. The Insured and /or the Named Organisation shall give a complete and truthful account of the facts of the case, shall supply all documentary or other evidence in their possession relating to the Claim, shall obtain and sign all documents reasonably required to be obtained and signed and shall attend any meetings or conferences when reasonably requested.

8.3.4 QBE's access to Appointed Representative

The Insured and /or the Named Organisation shall do all things reasonably necessary to allow QBE to obtain from the Appointed Representative any information, report documents or advice relating to the Claim. However, the Insured and /or the Named Organisation shall not be prejudiced if the Appointed Representative refuses to make such information, report document or advice available to QBE on the grounds that to do so might prejudice the Insured's and /or the Named Organisation's interests in any litigation that is involved or may be commenced.

8.3.5 Offer to settle by other party

The Insured and /or the Named Organisation must inform QBE as soon as practicable after the Insured and /or the Named Organisation receives any offer to settle the Claim. No agreement to settle which may result in a claim for indemnity under this Policy may be made without QBE's prior approval, which will not be unreasonably withheld. QBE, where the Insured and /or the Named Organisation unreasonably withhold their agreement to any settlement, reserves the right to decline further indemnity from the date when such agreement is unreasonably withheld.

8.3.6 Appointed Representatives bills to be sent to QBE without delay

The Insured and /or the Named Organisation must forward to QBE all bills of costs or other communications relating to Loss as soon as practicable after receipt by the Insured and /or the Named Organisation. If requested by QBE, the Insured and /or the Named Organisation shall instruct the Appointed Representative to submit the bills of costs for taxation or adjudication by any relevant professional body, Court or Regulatory Authority or other Tribunal.

8.3.7 Recovery of costs from other party

Where the Insured and /or the Named Organisation is awarded costs, the Insured and /or the Named Organisation must provide all co-operation reasonably required by QBE to recover the Loss which would be the subject of indemnity under this Policy. All such Loss actually recovered shall be taken into account when QBE is calculating its liability under this Policy. If the Loss has already been paid by QBE, the amount recovered shall forthwith be paid by the Insured and /or the Named Organisation (whosoever received such recovery) to QBE.

8.3.8 QBE to approve level of fees of Appointed Representative

The Insured and /or the Named Organisation must not without QBE's prior written approval enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged. The Insured and /or the Named Organisation must not represent to any Appointed Representative that all fees and expenses charged to their account are covered by this Policy.

8.3.9 Notice to QBE of other insurance

In the event of any claim for indemnity under this Policy the Insured and /or the Named Organisation must notify QBE of all other insurance effected by them providing the same or similar cover.

8.3.10 Subrogation

If any payment is made under this Policy, QBE shall be subrogated to the extent of such payment to all the Insured's(s') and /or the Named Organisation's rights of recovery and the Insured and /or the Named Organisation shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable QBE effectively to bring suit in the name of the Insured and /or the Named Organisation.

8.4 Appeal Procedure

If the Insured and /or the Named Organisation is dissatisfied with any decision made by a Court or Regulatory Authority or Tribunal and wish to appeal against that decision they must make a further application for QBE's consent at least six (6) clear business days prior to the expiry of the time for instituting an appeal. Such application shall be in writing and shall state the reasons as fully as possible for making an appeal. In the event that the time allowed by law to file an appeal is less than six (6) business days the Insured and /or the Named Organisation shall advise QBE as soon as practicable that they wish to appeal and provide their reasons for making the appeal. QBE shall inform the Insured and /or the Named Organisation in writing as to whether they consent to the bringing of an appeal.

If QBE is dissatisfied with any decision made by a Court or Regulatory Authority or Tribunal and wish to appeal against that decision, the Insured and /or the Named Organisation shall reasonably co-operate with QBE in the bringing of such an appeal. In this event QBE shall pay all costs involved.

8.5 Recovery

In the event Exclusion 5.1.11 applies, QBE shall have the right to recover from the Insured and /or the Named Organisation all Loss which may have been paid by QBE.

8.6 Breach

If the Insured and /or the Named Organisation are in breach of any of the terms or conditions of this Policy, QBE shall be entitled to enforce its rights in accordance with the provisions of the Insurance Contracts Act (1984) other than as provided under Clause 5.2 of this Policy.

8.7 Representation and Severability

In granting coverage under this Policy to any one of the Insured, QBE has relied upon the declarations, statements and attachments to the written proposal for coverage. All such declarations, statements and attachments are the basis of such coverage and shall be considered as incorporated in and constituting part of the Policy.

The written proposal for coverage shall be construed to be a separate application for each of the Insured and the Named Organisation. With respect to the declarations and statements contained in such written proposal for coverage, no statement in the proposal or knowledge possessed by any of the Insured shall be imputed to any other of the Insured for the purpose of determining the availability of coverage with respect to Claim(s) made against any of the Insured.

8.8 Maintenance of Overlying Insurance

The policy or policies listed in the Schedule, and renewal or replacement thereof not more restrictive, shall be maintained by the Named Organisation in full effect during the currency of this Policy without alteration of terms or conditions except for any reduction of the aggregate limit or limits contained therein solely by payment of claims. Failure of the Named Organisation to comply with the foregoing shall not invalidate this Policy but in the event of such failure, QBE shall only be liable to the same extent as it would have been had the Named Organisation so maintained such policy or policies.

8.9 Confidentiality

It shall be a condition of this Policy that any of the Insured and /or the Named Organisation shall not release to any third party or otherwise publish details of the nature of the liabilities insured by this Policy or the amount of the premium specified in the Schedule without the written consent of QBE, such written consent not to be unreasonably withheld.

8.10 Cancellation

8.10.1 QBE may cancel this Policy in accordance with the relevant provisions of the Insurance Contracts Act 1984. Upon cancellation by QBE (except cancellation for fraudulent non-disclosure or fraudulent misrepresentation), QBE shall refund to the Named Organisation that part of the Premium calculated by reference to the unexpired Period of Insurance.

8.10.2 This Policy may be cancelled at any time at the written request of the Named Organisation in which case QBE will retain:

8.10.2.1 that part of the Premium calculated by reference to the proportion that the expired part of the Period of Insurance bears to the whole Period of Insurance, plus

8.10.2.2 twenty percent (20%) of that part of the Premium calculated by reference to the proportion that the unexpired part of the Period of Insurance bears to the whole Period of Insurance.

8.11 Governing Law

The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with the law of Australia, and any disputes relating thereto shall be submitted to the exclusive jurisdiction of the Courts of Australia.

8.12 Merger, Acquisition or Receivership

If the Named Organisation, during the period of Insurance, is the subject of a Merger or Acquisition or has a Receiver appointed then the indemnity provided by this Policy will only apply in respect of a Wrongful Breach occurring prior to such an event, unless otherwise agreed in writing by QBE.

