

Investment Managers Insurance Policy

Important Notice

Please note that Parts A and B of the **Policy** provide insurance on a Claims Made basis. Accordingly, **Liberty** will only cover the **Insured** in respect of **Claims** which are first made against the **Insured** during the **Policy Period** and reported to **Liberty** during the **Policy Period**.

Part C of the **Policy** provides insurance on a discovery basis. Accordingly, **Liberty** will only cover the **Insured** for **Direct Financial Loss** first discovered during the **Policy Period**.

The **Insured** should carefully read all of the **Policy**, including all definitions and, in particular, the exclusions, to ascertain the precise scope of cover afforded by the **Policy**. The **Insured** is advised to consult its insurance agent or broker to ensure a clear understanding of the **Insured's** rights and obligations under the **Policy**.



Policy Schedule

Policy Number	IM-XX-SPC-00-500000	
Named Insured		
Policy Period	From:	4:00pm on <insert date> local standard time
	To:	4:00pm on <insert date> local standard time
Aggregate Limit of Liability	\$X,000,000	
Limit of Liability	Part A – Professional Liability	\$X,000,000
	Part B – Management Liability	\$X,000,000
	Part C – Crime	\$X,000,000
Sub-Limits of Liability	Part A	
	2.14 Loss of Documents	\$X,000,000
	2.20 Public Relations Costs	\$X,000,000
	3.1 Statutory Liability	\$X,000,000
	Part B	
	6.4 Extradition Crisis Costs	\$X,000,000
	6.15 Public Relations Costs	\$X,000,000
	7.1 Additional Limit for Non-Executive Directors	\$X,000,000
	7.3 Employment Practices Liability	\$X,000,000
	Part C	
	10.2 Interest Receivable or Payable	\$X,000,000
	10.3 Kidnap Expenses	\$X,000,000
	10.8 Public Relations Costs	\$X,000,000
	10.9 Software Reconstitution Costs	\$X,000,000
Optional Extensions	Part A	
	3.1 Statutory Liability	Included/Not Included
	Part B	
	7.1 Additional Limit for Non-Executive Directors	Included/Not Included
	7.2 Company Securities Liability	Included/Not Included
	7.3 Employment Practices Liability	Included/Not Included
Coinsurance Percentage	7.2 Company Securities Liability	X%

Policy Schedule

Excess	Part A	\$X,000,000
	Part B	
	Insuring Clause 5.1	\$Nil
	Insuring Clause 5.2	\$X,000,000
	Optional Extension 7.2 Company Securities Liability	\$X,000,000
	Part C	\$X,000,000
Policy Wording	LIU AUS IMI Investment Managers Policy Wording (05-11)	
Continuity Date		
Endorsements	1 to X	

Specimen

This policy is valid only if this schedule is signed and dated below by a person authorised by **Liberty**.

Issued <day> <month> <year> in <office location>

Authorised by Liberty

Table of Contents

PART A - Professional Liability

1. Part A Insuring Clauses

1.1	Fund & Company Professional Liability	1
1.2	Advancement of Defence Costs	1

2. Part A Extensions

2.1	ASIC Act	1
2.2	Breach of Confidentiality	1
2.3	Competition & Consumer Act	1
2.4	Continuous Cover	2
2.5	Deemed Employees	2
2.6	Defamation	2
2.7	Extended Reporting Period	2
2.8	External Dispute Resolution	3
2.9	Fraud & Dishonesty	3
2.10	Intellectual Property Rights	3
2.11	Interference with Privacy	3
2.12	Joint Ventures	3
2.13	Limitation of Liability Contracts	4
2.14	Loss of Documents	4
2.15	New Disclosure Documents	4
2.16	New Funds	5
2.17	New Subsidiaries	5
2.18	Period of Grace	6
2.19	Professional Inquiries	6
2.20	Public Relations Costs	6
2.21	Spouses, Estates & Representatives	6
2.22	Vicarious Liability	6

3. Part A Optional Extensions

3.1	Statutory Liability	7
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4. Part A Exclusions

4.1	Anti-Competitive Practices	7
4.2	Contractual Liability & Commercial Risks	7
4.3	Fraud & Dishonesty	8
4.4	Goods & Services Tax	8
4.5	Intellectual Property Rights	8
4.6	Licensing Inquiries	8
4.7	Management Liability	8
4.8	New Disclosure Documents	8
4.9	Penalties & Punitive Damages	8
4.10	Performance Guarantee	8
4.11	Personal Injury	8
4.12	Prior Matters	9
4.13	Property Damage	9
4.14	Related Parties	9

4.15	Superannuation Funds	9
4.16	Uninsurable Amounts	9
4.17	War, Terrorism & Nuclear	9

PART B - Management Liability

5. Part B Insuring Clauses

5.1	Management Liability	10
5.2	Fund & Company Reimbursement	10
5.3	Advance Payment of Defence Costs	10

6. Part B Extensions

6.1	Continuous Cover	10
6.2	Emergency Defence Costs	11
6.3	Extended Reporting Period	11
6.4	Extradition Crisis Costs	11
6.5	Former Directors & Officers	11
6.6	Management Inquiries	12
6.7	New Disclosure Documents	12
6.8	New Funds	13
6.9	New Subsidiaries	13
6.10	OH&S Defence Costs	13
6.11	Outside Directorships	14
6.12	Pecuniary Penalties	14
6.13	Period of Grace	15
6.14	Pollution Defence Costs	15
6.15	Public Relations Costs	15
6.16	Shareholder Pollution Claims	15
6.17	Spouses, Estates & Representatives	15

7. Part B Optional Extensions

7.1	Additional Limit for Non-Executive Directors	16
7.2	Company Securities Liability	16
7.3	Employment Practices Liability	16

8. Part B Exclusions

8.1	Consensual Claims	17
8.2	Fraud & Dishonesty	17
8.3	Goods & Services Tax	17
8.4	New Disclosure Documents	17
8.5	North America Insured versus Insured	17
8.6	Penalties & Punitive Damages	18
8.7	Personal Injury	18
8.8	Pollution	18
8.9	Prior Matters	18
8.10	Property Damage	18
8.11	Uninsurable Amounts	18
8.12	War, Terrorism & Nuclear	18

Table of Content

PART C - Crime		14. Definitions Applicable to Parts A, B & C	
9. Part C Insuring Clauses			
9.1 Theft of Property	19	14.1 Agent	28
9.2 Malicious Acts of Employees	19	14.2 Change in Control	28
10. Part C Extensions		14.3 Claim	28
10.1 Continuous Cover	19	14.4 Client	28
10.2 Interest Receivable or Payable	19	14.5 Defence Costs	29
10.3 Kidnap Expenses	20	14.6 Direct Financial Loss	29
10.4 Loss Establishment Costs	20	14.7 Director	29
10.5 New Funds	21	14.8 Disclosure Document	29
10.6 New Subsidiaries	21	14.9 Discovered	29
10.7 Period of Grace	21	14.10 Document	30
10.8 Public Relations Costs	22	14.11 Employee	30
10.9 Software Reconstitution Costs	22	14.12 Employment Practice Breach	30
11. Part C Exclusions		14.13 GST	30
11.1 Client Theft	22	14.14 Industrial Instrument	30
11.2 Computer Breakdown	22	14.15 Insured	30
11.3 Default on Agreements	22	14.16 Insured Fund	30
11.4 Directors	23	14.17 Insured Organisation	30
11.5 Extortion, Kidnap & Ransom	23	14.18 Insured Person	30
11.6 Goods & Services Tax	23	14.19 Intellectual Property Rights	31
11.7 Prior Knowledge	23	14.20 Investigator	31
11.8 War, Terrorism & Nuclear	23	14.21 Kidnap Expenses	31
12. Claims Conditions Applicable to Parts A, B & C		14.22 Kidnapping	31
12.1 Notification of Claims & Co-operation	23	14.23 Liberty	31
12.2 Defence & Settlement	24	14.24 Management Inquiry	31
12.3 Basis of Valuation	24	14.25 Money	31
12.4 Loss Mitigation	24	14.26 New Fund	31
12.5 Order of Payments	25	14.27 Officer	31
12.6 Allocation	25	14.28 Policy	32
12.7 Preservation of Right to Indemnity	25	14.29 Policy Period	32
12.8 Requirement to Contest a Claim	25	14.30 Pollutant	32
12.9 Challenging Pecuniary Penalties	25	14.31 Premium	32
13. General Conditions Applicable to Parts A, B & C		14.32 Professional Inquiry	32
13.1 Limit of Liability	26	14.33 Professional Services	32
13.2 Excess	26	14.34 Property	32
13.3 Subrogation	27	14.35 Proposal	32
13.4 Severability of Proposal	27	14.36 Schedule	32
13.5 Non-Imputation	27	14.37 Securities	32
13.6 Change in Control	27	14.38 Securities Claim	32
13.7 Governing Law & Exclusive Jurisdiction	27	14.39 Senior Counsel	32
13.8 Policy Interpretation & Construction	28	14.40 Statutory Defence Costs	33
		14.41 Subsidiary	33
		14.42 Theft	33
		14.43 Third Party	33
		14.44 Wrongful Act	33

PART A - Professional Liability

In consideration of payment of the **Premium** by the **Named Insured** and subject to all the terms, conditions and exclusions, including all definitions of the **Policy**, **Liberty** agrees as follows:

1. Part A Insuring Clauses

1.1 Fund & Company Professional Liability

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services**.

1.2 Advancement of Defence Costs

Liberty will pay for **Defence Costs** in respect of a **Claim** covered under Insuring Clause 1.1 or any applicable extension under Part A of the **Policy**. **Liberty** will pay for these **Defence Costs** as and when they are incurred prior to the final resolution of the **Claim**.

However, each **Insured** shall repay to **Liberty** all payments of **Defence Costs** incurred on that **Insured's** behalf if and to the extent it is established that such **Defence Costs** are not insured under Part A of the **Policy**.

Defence Costs are subject to the applicable **Excess** and form part of the **Limit of Liability**.

2. Part A Extensions

Subject to all the terms, conditions and exclusions, including all definitions of the **Policy**, **Liberty** further agrees to extend cover provided under Part A of the **Policy** as follows:

2.1 ASIC Act

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** under the terms of the Australian Securities and Investment Commission Act 2001 (Cth) as amended from time to time.

2.2 Breach of Confidentiality

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** alleging breach of confidentiality by the **Insured**.

2.3 Competition & Consumer Act

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** under the terms of the Competition & Consumer Act 2010 (Cth) as amended from time to time, or any Fair Trading legislation of any State or Territory of the Commonwealth of Australia.

Part A Extensions

2.4 Continuous Cover

If the **Insured** was aware of any facts that might give rise to a **Claim** or **Professional Inquiry** arising from the performance of **Professional Services** prior to the commencement of the **Policy Period** and had not notified **Liberty** of such facts prior to the commencement of the **Policy Period**, then Exclusion 4.12(b) in respect of “Prior Matters” will not apply to the notification of a **Claim** or **Professional Inquiry** resulting from such facts, provided that:

- (a) the failure to notify such facts was not a result of any fraudulent misrepresentation or fraudulent non-disclosure by the **Insured**;
- (b) the **Insured** first became aware of such facts after the **Continuity Date**; and
- (c) **Liberty** will reduce its liability to the extent of any prejudice suffered as a result of the **Insured’s** failure to notify such facts prior to the commencement of the **Policy Period**.

2.5 Deemed Employees

The definition of **Insured Person** in Definition 14.18 is extended to include any contractor or consultant who is a “deemed worker” under the workers’ compensation laws of the Australian State or Territory in which the contractor or consultant is performing **Professional Services** and has a written contract with the **Named Insured** or its **Subsidiaries** to perform **Professional Services**, but only in relation to the performance of **Professional Services** for or on behalf of the **Named Insured** or its **Subsidiaries**.

2.6 Defamation

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** alleging any libel, slander, defamation or injurious falsehood by the **Insured**. No cover is provided under this extension for any **Claim** arising from any intentional libel, slander, defamation or injurious falsehood.

2.7 Extended Reporting Period

If a **Change in Control** occurs during the **Policy Period** then the **Named Insured** may request an extended reporting period under Part A of the **Policy** of up to 84 months commencing from the end of the **Policy Period** during which time the **Insured** may notify to **Liberty** any **Claim** or **Professional Inquiry** provided it results from **Professional Services** performed prior to the effective date of the **Change in Control**.

The **Named Insured** must request this extended reporting period in writing before the end of the **Policy Period**. **Liberty** will offer this extended reporting period on such terms and conditions and for such additional premium as **Liberty** may reasonably impose.

An extended reporting period granted under this extension will be non-cancellable and any additional premium paid will be non-refundable.

This extension is subject to the **Aggregate Limit of Liability**, **Limit of Liability**, **Sub-Limits of Liability** and **Excess** and does not apply if the **Policy** is cancelled or avoided by **Liberty**.

Part A Extensions

2.8 External Dispute Resolution

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** under an ASIC Approved External Dispute Resolution Scheme.

An **Excess** will apply to each and every claim determined or settled under any such Scheme.

2.9 Fraud & Dishonesty

Notwithstanding Exclusion 4.3 in respect of "Fraud & Dishonesty", **Liberty** will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** alleging fraudulent or dishonest conduct by the **Insured** or an **Agent**.

However, no cover is provided under this extension for any person, company or other entity who has committed or condoned the fraudulent or dishonest conduct.

2.10 Intellectual Property Rights

Notwithstanding Exclusion 4.5 in respect of "Intellectual Property Rights", **Liberty** will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** alleging infringement of **Intellectual Property Rights** by the **Insured**.

However, no cover is provided under this extension for any **Claim**:

- (a) resulting from any intentional infringement of **Intellectual Property Rights**; or
- (b) arising out of or in any way connected with:
 - (i) legal or regulatory proceedings brought within the United States of America, Canada or any of their territories or protectorates or in which the laws of those countries are applicable, even if only to a limited extent; or
 - (ii) the enforcement of any judgment, award or regulatory order obtained within or determined pursuant to the laws of the United States of America, Canada or any of their territories or protectorates.

2.11 Interference with Privacy

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from the performance of **Professional Services** alleging unlawful interference with privacy by the **Insured**.

2.12 Joint Ventures

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from **Professional Services** performed by the **Insured** in the **Insured's** capacity as a joint venture partner but only to the extent of the **Insured's** own liability as a joint venture partner.

Liberty will only pay for **Defence Costs** incurred by the **Insured** in respect of such **Claim** solely in respect of its own liability as a joint venture partner.

Part A Extensions

2.13 Limitation of Liability Contracts

Notwithstanding General Condition 13.3 in respect of “Subrogation”, **Liberty** recognises that the **Insured** may enter into written contracts with other parties relating to the performance of **Professional Services** which may exclude or limit the liability of such parties and **Liberty** agrees that such contracts will not prejudice the **Insured’s** right to indemnity under the **Policy**. The cover provided under this extension does not apply to contracts (whether or not they are written contracts) entered into as a result of a dispute which involves the **Insured** in any way.

2.14 Loss of Documents

Notwithstanding Exclusion 4.13 in respect of “Property Damage”, **Liberty** will pay on behalf of the **Insured** the costs the **Insured** incurs with the prior written consent of **Liberty** (which shall not be unreasonably withheld) for replacing or restoring any **Documents** which are destroyed, damaged or after diligent search cannot be found.

Such destruction, damage or loss must result solely from the performance of **Professional Services** by the **Insured** and be discovered for the first time during the **Policy Period** and reported to **Liberty** during the **Policy Period**.

Liberty will not pay for any destruction, damage or loss resulting from:

- (a) wear and tear or gradual deterioration;
- (b) any computer virus; or
- (c) any act or omission by any person who is not a director, partner or employee of the **Insured** at the time the destruction, damage or loss of such **Documents** is first discovered.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

2.15 New Disclosure Documents

Notwithstanding Exclusion 4.8 in respect of “New Disclosure Documents”, **Liberty** will extend cover to include any **Claim** or **Professional Inquiry** under Part A of the **Policy** arising out of the issue of any **Disclosure Document** containing an offer for the issue, sale or transfer of securities in connection with any **Insured Fund**, or any written or verbal representations made in connection with such an offer, provided that any such **Disclosure Document**:

- (a) is not open to investors in the United States of America, Canada or any of their territories or protectorates; or
- (b) is not in relation to an absolute return fund, agricultural investment fund, mortgage fund or property development fund.

In respect of any **Disclosure Document** to which (a) or (b) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the **Policy Period**) from the issue date of any such **Disclosure Document**. Upon provision to **Liberty** by the **Insured Organisation** of full details of the **Disclosure Document**, **Liberty** will consider providing cover for a further period on such terms and conditions and for such additional premium as may be agreed.

Part A Extensions

2.16 New Funds

The definition of **Insured Fund** in Definition 14.16 is extended to include any **New Fund** provided that such **New Fund**:

- (a) is not domiciled or open to investors in the United States of America, Canada or any of their territories or protectorates;
- (b) does not result in a variation to the **Insured Organisation's** Australian Financial Services Licence; or
- (c) is not an absolute return fund, agricultural investment fund, mortgage fund or property development fund.

In respect of any **New Fund** to which any of (a) to (c) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the **Policy Period**) from the effective date such **New Fund** is first managed by the **Insured Organisation**. Upon provision to **Liberty** by the **Insured Organisation** of full details of the **New Fund**, **Liberty** will consider providing cover for a further period on such terms and conditions and for such additional premium as may be agreed.

Cover in respect of any **New Fund** applies only in respect of any **Professional Services** performed after the **New Fund** was first managed by the **Insured Organisation**.

2.17 New Subsidiaries

The definition of **Subsidiary** in Definition 14.41 is extended to include any company which, according to the laws of the Commonwealth of Australia or the Australian State or Territory in which the **Policy** is issued, becomes a subsidiary of the **Insured Organisation** during the **Policy Period** provided that:

- (a) in the case of an acquisition, the revenue of the new subsidiary for the 12 months preceding the date of its acquisition does not exceed 25% of the consolidated revenue of the **Insured Organisation** for the 12 months preceding the commencement of the **Policy Period**;
- (b) the new subsidiary is not incorporated in the United States of America, Canada or any of their territories or protectorates;
- (c) the new subsidiary does not perform **Professional Services** within the United States of America, Canada or any of their territories or protectorates; or
- (d) the new subsidiary has no paid or incurred professional indemnity claims against it for the 5 years preceding the date of its acquisition.

In respect of any other new subsidiary to which any of (a) to (d) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the end of the **Policy Period**) from the effective date of the new subsidiary being acquired or created. Upon provision to **Liberty** by the **Insured Organisation** of full details of the new subsidiary, **Liberty** will consider providing cover for the new subsidiary for a further period on such terms and conditions and for such additional premium as may be agreed.

Cover in respect of any such new subsidiary applies only in respect of **Professional Services** performed whilst the subsidiary is a subsidiary of the **Insured Organisation**.

Part A Extensions

2.18 Period of Grace

If the **Policy** is neither renewed nor replaced by the **Named Insured** with a policy or policies providing similar cover then the **Named Insured** is entitled to an automatic extended reporting period of 45 days commencing from the end of the **Policy Period** during which time the **Insured** may notify to **Liberty** any **Claim** or **Professional Inquiry** under Part A of the **Policy** provided it results from **Professional Services** performed prior to the end of the **Policy Period**.

2.19 Professional Inquiries

Liberty will pay on behalf of the **Insured** the reasonable and necessary costs and expenses incurred by the **Insured** (but excluding the **Insured's** salaries, wages, fees, allowances, travel and accommodation expenses) in preparing for and attending a **Professional Inquiry** provided that:

- (a) such costs and expenses were incurred with the prior written consent of **Liberty** (which shall not be unreasonably withheld); and
- (b) the notice requiring the **Insured** to attend the **Professional Inquiry** is first served upon the **Insured** and reported to **Liberty** during the **Policy Period**.

The **Insured** shall repay to **Liberty** all payments of **Professional Inquiry** costs and expenses incurred on the **Insured's** behalf if and to the extent it is established that such **Professional Inquiry** costs and expenses are not insured under Part A of the **Policy**.

2.20 Public Relations Costs

Liberty will pay on behalf of the **Insured** the reasonable and necessary costs and expenses incurred by an **Insured** with **Liberty's** prior written consent (which shall not be unreasonably withheld) in seeking advice from a public relations consultant solely for the benefit of protecting the **Insured's** professional reputation as a result of **Professional Services** performed by the **Insured** which have or could reasonably lead to a **Claim** being made against the **Insured**.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

2.21 Spouses, Estates & Representatives

Liberty will cover:

- (a) in the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** brought against his or her estate, heirs, executors, administrators or legal representatives; or
- (b) any **Claim** brought against the lawful spouse or domestic partner of an **Insured Person**, as if the **Claim** had been brought against that **Insured Person**.

No cover is provided under this extension for any actual or alleged act or omission by such estate, heirs, executors, administrators, legal representatives, lawful spouse or domestic partner.

2.22 Vicarious Liability

Liberty will indemnify the **Insured** against civil liability the **Insured** incurs in respect of a **Claim** arising from **Professional Services** performed by an **Agent**.

Liberty will not be liable under this extension for the **Agent's** own liability, nor will **Liberty** be prevented from seeking recovery from any **Agent**.

3. Part A Optional Extensions

The following extension is subject to all the terms, conditions and exclusions, including all definitions of the **Policy** and shall apply only if it is specifically included in the **Schedule**.

3.1 Statutory Liability

Notwithstanding Exclusion 4.9(a) in respect of "Penalties & Punitive Damages", **Liberty** will indemnify the **Insured** against pecuniary penalties (including fines) it is required to pay for contraventions of statutory civil penalty provisions and no fault criminal offences arising from the performance of **Professional Services** provided that:

- (a) the pecuniary penalty is imposed pursuant to legislation enacted by the Commonwealth of Australia, an Australian State or Territory or New Zealand;
- (b) the relevant regulatory authority first takes action for the imposition of the pecuniary penalty during the **Policy Period** and such action is reported to **Liberty** during the **Policy Period**;
- (c) the **Insured** has complied with any lawful notice or direction received from, or any enforcement action taken by any appropriate regulatory authority under any statute within the time specified or, if no time is specified, within a reasonable time; and
- (d) **Liberty** will not pay for any pecuniary penalties in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

Notification under this extension must be given to **Liberty** in accordance with Claims Condition 12.1(a) and the **Insured** must give **Liberty** such information and cooperation as it may reasonably require in accordance with Claims Condition 12.1(b).

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

4. Part A Exclusions

Liberty will not pay for any amounts insured under Part A of the **Policy** for or arising out of:

4.1 Anti-Competitive Practices

any contravention of the provisions in Part IV, IVA and IVB of the Competition & Consumer Act 2010 (Cth), Federal Trade Commission Act (USA), Sherman Anti-Trust Act (USA), Clayton Act (USA), all as amended from time to time, or any similar law anywhere in the world regulating monopolisation, anti-trust, price fixing, price discrimination, predatory pricing, restraint of trade or similar activities.

4.2 Contractual Liability & Commercial Risks

- (a) a liability which the **Insured** has assumed under a contract unless such liability would have attached in the absence of such contract;
- (b) the insolvency, receivership, administration, bankruptcy or liquidation of the **Named Insured** or its **Subsidiaries**;
- (c) any failure by any **Insured** to disclose any commissions, costs or other charges.
- (d) the refund of professional fees; or
- (e) any guarantee given by the **Insured** for a debt.

Part A Exclusions

4.3 Fraud & Dishonesty

any fraudulent, wilful, grossly reckless, malicious or dishonest conduct including any intentional breach of any law or regulation committed by the **Insured** or an **Agent**.

This exclusion will only apply where it is established by an admission of such **Insured** or an **Agent** or by a final judgment, award, finding or other adjudication of a court, tribunal, commission or arbitrator that such conduct did in fact occur.

4.4 Goods & Services Tax

GST imposed or payable in respect of the **Premium** or any payment of insured amounts made under the **Policy**.

4.5 Intellectual Property Rights

any actual, potential or alleged infringement of **Intellectual Property Rights**.

4.6 Licensing Inquiries

any prosecution, inquiry, hearing, commission or other investigation in relation to the **Insured** failing to be properly licensed, registered or accredited to provide **Professional Services** as required by any law or other regulation including industry codes of practice.

4.7 Management Liability

any **Insured Person** acting in the capacity of a **Director** or **Officer**.

4.8 New Disclosure Documents

the issue of any **Disclosure Document** containing an offer for the issue, sale or transfer of securities in connection with any **Insured Fund**, or any written or verbal representations made in connection with such an offer, which occurs or is alleged to have occurred after the commencement of the **Policy Period**.

4.9 Penalties & Punitive Damages

- (a) any fines or other penalties; or
- (b) any exemplary, aggravated, multiple or punitive damages.

4.10 Performance Guarantee

any guarantee or warranty given by or on behalf of the **Insured** in relation to the performance of any investment.

4.11 Personal Injury

death, bodily or mental injury, sickness or disease, emotional distress or mental anguish of any person.

Part A Exclusions

4.12 Prior Matters

or in any way connected with:

- (a) any written demand, legal proceedings or **Professional Inquiry** made, threatened, intimated against or involving the **Insured** prior to the commencement of the **Policy Period**;
- (b) any facts that, before the commencement of the **Policy Period**, the **Insured** was aware, or a reasonable person would have been aware, might give rise to a claim under the **Policy**;
- (c) any facts that might give rise to a claim under the **Policy** which have been reported, or which can be or could have been reported, to an insurer under any insurance policy entered into before the commencement of the **Policy Period**;
- (d) any facts that might give rise to a claim under the **Policy** which have been disclosed to any insurer in any proposal for insurance before the commencement of the **Policy Period**; or
- (e) any facts that might give rise to a claim under the **Policy** which were disclosed to **Liberty** in the proposal.

4.13 Property Damage

loss of, damage to or destruction of any real or personal property or any consequential losses flowing from such loss, damage or destruction.

4.14 Related Parties

any **Claim** made by or on behalf of:

- (a) one or more **Insured** against another **Insured** other than a **Claim** for contribution or indemnity which results directly from another **Claim** which would be covered under the **Policy** if made directly against such other **Insured**;
- (b) any entity which is owned, controlled or managed by any **Insured**; or
- (c) any parent company or other entity which owns, controls or manages any **Insured**.

4.15 Superannuation Funds

any superannuation, provident, pension, retirement, health or welfare fund, profit sharing or employee incentive plan, or any other plan, scheme or arrangement established for the benefit of the **Insured Organisation's** employees.

4.16 Uninsurable Amounts

amounts uninsurable at law.

4.17 War, Terrorism & Nuclear

- (a) war (whether declared or not), civil disturbance or riot;
- (b) any actual or threatened act of terrorism or any action taken to, or taken in an attempt to, control, prevent or suppress any act of terrorism;
- (c) ionising radiation or contamination by radioactivity from any nuclear fuel or any waste from the combustion of nuclear fuel; or
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear weapon, installation, reactor or other nuclear assembly or nuclear component thereof.

PART B - Management Liability

In consideration of payment of the **Premium** by the **Named Insured** and subject to all the terms, conditions and exclusions, including all definitions of the **Policy**, **Liberty** agrees as follows:

5. Part B Insuring Clauses

5.1 Management Liability

Liberty will indemnify an **Insured Person** against liability the **Insured Person** incurs in respect of a **Claim** alleging a **Wrongful Act** unless the **Insured Person** has been indemnified by the **Insured Organisation** for such liability.

5.2 Fund & Company Reimbursement

If the **Insured Organisation** is legally required or permitted to indemnify the **Insured Person** for such liability referred to in Insuring Clause 5.1, then **Liberty** will pay on behalf of the **Insured Organisation** the amount of that indemnity.

5.3 Advance Payment of Defence Costs

Liberty will pay for **Defence Costs** in respect of a **Claim** covered under Insuring Clauses 5.1, 5.2 or any applicable extension under Part B of the **Policy**. **Liberty** will pay for these **Defence Costs** as and when they are incurred prior to the final resolution of the **Claim**.

However, each **Insured** shall repay to **Liberty** all payments of **Defence Costs** incurred on that **Insured's** behalf if and to the extent it is established that such **Defence Costs** are not insured under Part B of the **Policy**.

Defence Costs are subject to the applicable **Excess** and shall form part of the **Limit of Liability**.

6. Part B Extensions

Subject to all the terms, conditions and exclusions, including all definitions of the **Policy**, **Liberty** further agrees to extend cover provided under Part B of the **Policy** as follows:

6.1 Continuous Cover

If the **Insured** was aware of any facts that might give rise to a **Claim** or **Management Inquiry** prior to the commencement of the **Policy Period** and had not notified **Liberty** of such facts prior to the commencement of the **Policy Period**, then Exclusion 8.9(b) in respect of "Prior Matters" will not apply to the notification of a **Claim** or **Management Inquiry** resulting from such facts, provided that:

- (a) the failure to notify such facts was not a result of any fraudulent misrepresentation or fraudulent non-disclosure by the **Insured**;
- (b) the **Insured** first became aware of such facts after the **Continuity Date**; and
- (c) **Liberty** will reduce its liability to the extent of any prejudice suffered as a result of the **Insured's** failure to notify such facts prior to the commencement of the **Policy Period**.

Part B Extensions

6.2 Emergency Defence Costs

In the event that the **Insured** is not able to notify **Liberty** of a **Claim** or **Management Inquiry** in accordance with Claims Condition 12.1 in respect of "Notification of Claims & Co-operation", then notwithstanding Claims Condition 12.2(d) in respect of "Defence & Settlement", Extension 6.6(a) in respect of "Management Inquiries" and Definition 14.5 in respect of "**Defence Costs**", the **Insured** is entitled to incur **Defence Costs** and **Management Inquiry** costs and expenses up to 10% of the **Limit of Liability** without **Liberty's** prior written consent until such notice can reasonably be expected to be given to **Liberty**.

6.3 Extended Reporting Period

If a **Change in Control** occurs during the **Policy Period** then the **Named Insured** may request an extended reporting period under Part B of the **Policy** of up to 84 months commencing from the end of the **Policy Period** during which time the **Insured** may notify to **Liberty**:

- (a) any **Claim** provided it results from a **Wrongful Act**; or
- (b) any **Management Inquiry** provided it results from conduct committed or allegedly committed, prior to the effective date of the **Change in Control**.

The **Named Insured** must request this extended reporting period in writing before the end of the **Policy Period**. **Liberty** will offer this extended reporting period on such terms and conditions and for such additional premium as **Liberty** may reasonably impose.

An extended reporting period granted under this extension will be non-cancellable and any additional premium paid will be non-refundable.

This extension is subject to the **Aggregate Limit of Liability**, **Limit of Liability**, **Sub-Limits of Liability** and **Excess** and does not apply if the **Policy** is cancelled or avoided by **Liberty**.

6.4 Extradition Crisis Costs

Liberty will pay on behalf of the **Insured** the costs and expenses incurred by an **Insured Person** with **Liberty's** prior written consent (which shall not be unreasonably withheld) solely for the benefit of that **Insured Person** in seeking advice from an accredited trauma counsellor or tax advisor in respect of extradition proceedings or an appeal of extradition proceedings brought against that **Insured Person** as a direct result of a **Claim** covered under Part B of the **Policy**.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

6.5 Former Directors & Officers

If a **Change in Control**:

- (a) occurs during the **Policy Period** and the **Named Insured** does not purchase the extended reporting period offered under Extension 6.3 in respect of "Extended Reporting Period" or purchase the same or similar cover from another insurer or insurers, then **Liberty** will provide an extended reporting period of 84 months following the effective date of the **Change in Control** but only for the benefit of those **Insured Persons** who resigned from the **Insured Organisation** at least 6 months prior to the effective date of the **Change in Control**; or

Part B Extensions

- (b) does not occur during the **Policy Period** and at the end of the **Policy Period** the **Named Insured** does not renew the **Policy** with **Liberty** or replace the **Policy** with one or more policies providing management liability cover issued by another insurer or insurers, then **Liberty** agrees to provide an extended reporting period of 84 months following the end of the **Policy Period** but only for the benefit of those **Insured Persons** who resigned from the **Insured Organisation** at least 6 months prior to the end of the **Policy Period**.

The **Insured Persons** referred to in (a) or (b) above will be entitled to notify **Liberty** of any **Claim** or **Management Inquiry** covered under Part B of the **Policy** during such extended reporting period provided such **Claim** or **Management Inquiry** results from a **Wrongful Act** whilst they were a **Director, Officer** or **Employee** of the **Insured Organisation**.

6.6 Management Inquiries

Liberty will pay on behalf of the **Insured** the reasonable and necessary costs and expenses incurred by an **Insured Person** (but excluding the **Insured Person's** salaries, wages, fees, allowances, travel and accommodation expenses) in preparing for and attending a **Management Inquiry** provided that:

- (a) such costs and expenses were incurred with the prior written consent of **Liberty** (which consent shall not be unreasonably withheld); and
- (b) the notice requiring the **Insured Person** to attend the **Management Inquiry** is first served upon the **Insured Person** and reported to **Liberty** during the **Policy Period**.

The **Insured** shall repay to **Liberty** all payments of **Management Inquiry** costs and expenses incurred on that **Insured's** behalf if and to the extent it is established that such **Management Inquiry** costs and expenses are not insured under Part B of the **Policy**.

6.7 New Disclosure Documents

Notwithstanding Exclusion 8.4 in respect of "New Disclosure Documents", **Liberty** will extend cover to include any **Claim** or **Management Inquiry** under Part B of the **Policy** arising out of the issue of any **Disclosure Document** containing an offer for the issue, sale or transfer of securities, or any written or verbal representations made in connection with such an offer, provided that any such **Disclosure Document**:

- (a) is not open to investors in the United States of America, Canada or any of their territories or protectorates;
- (b) is not in relation to an absolute return fund, agricultural investment fund, mortgage fund or property development fund; or
- (c) is not in respect of the **Insured Organisation's** own initial public offering.

In respect of any **Disclosure Document** to which (a) or (b) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the **Policy Period**) from the issue date of any such **Disclosure Document**. Upon provision to **Liberty** by the **Insured Organisation** of full details of the **Disclosure Document**, **Liberty** will consider providing cover for a further period on such terms and conditions and for such additional premium as may be agreed.

Part B Extensions

6.8 New Funds

The definition of **Insured Fund** in Definition 14.16 is extended to include any **New Fund** provided that such **New Fund**:

- (a) is not domiciled or open to investors in the United States of America, Canada or any of their territories or protectorates;
- (b) does not result in a variation to the **Insured Organisation's** Australian Financial Services Licence; and
- (c) is not an absolute return fund, agricultural investment fund, mortgage fund or property development fund.

In respect of any **New Fund** to which any of (a) to (c) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the **Policy Period**) from the effective date such **New Fund** is first managed by the **Insured Organisation**. Upon provision to **Liberty** by the **Insured Organisation** of full details of the **New Fund**, **Liberty** will consider providing cover for a further period on such terms and conditions and for such additional premium as may be agreed.

Cover in respect of any **New Fund** applies only in respect of a **Wrongful Act** after the **New Fund** was first managed by the **Insured Organisation**.

6.9 New Subsidiaries

The definition of **Subsidiary** in Definition 14.41 is extended to include any company which, according to the laws of the Commonwealth of Australia or the Australian State or Territory in which the **Policy** is issued, becomes a subsidiary of the **Insured Organisation** during the **Policy Period** provided that:

- (a) in the case of an acquisition, the revenue of the new subsidiary for the 12 months preceding the date of its acquisition does not exceed 25% of the consolidated revenue of the **Insured Organisation** for the 12 months preceding the commencement of the **Policy Period**;
- (b) the new subsidiary is not incorporated in the United States of America, Canada or any of their territories or protectorates;
- (c) the new subsidiary has no paid or incurred management liability claims against it for the 5 years preceding the date of its acquisition.

In respect of any other new subsidiary to which any of (a) to (c) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the end of the **Policy Period**) from the effective date of the new subsidiary being acquired or created. Upon provision to **Liberty** by the **Insured Organisation** of full details of the new subsidiary, **Liberty** will consider providing cover for the new subsidiary for a further period on such terms and conditions and for such additional premium as may be agreed.

Cover in respect of any such new subsidiary applies only in respect of a **Wrongful Act** whilst the subsidiary is a subsidiary of the **Insured Organisation**.

6.10 OH&S Defence Costs

Notwithstanding Exclusion 8.7 in respect of "Personal Injury", **Liberty** will pay on behalf of the **Insured** the **Defence Costs** which an **Insured Person** incurs in defending a **Claim** alleging any breach of any occupational health and safety legislation including legislation in respect of workplace manslaughter and industrial death.

Part B Extensions

6.11 Outside Directorships

The definition of **Insured Person** in Definition 14.18 is extended to include any **Insured Person** acting in the capacity of a director or officer of an outside entity at the specific written request or written approval of the **Insured Organisation**. **Liberty** will indemnify the **Insured Person** against liability the **Insured Person** incurs in respect of a **Claim** alleging a **Wrongful Act** in his or her capacity as a director or officer of an outside entity.

The cover provided under this extension:

- (a) shall be specifically in excess of any indemnity or insurance available from or provided by the outside entity including any policies of the outside entity specified in the **Proposal** and any renewal or replacement of those policies;
- (b) shall not apply to any **Claim** brought by the outside entity unless the **Claim** is a derivative action brought in the name of the outside entity by any legally authorised individual or entity including any regulatory authority where the individual or entity acts without any assistance, intervention, solicitation or active participation by the outside entity or by any **Insured**;
- (c) shall not apply to a **Claim** arising out of the insolvency of the outside entity, or any inability of the outside entity to pay all or any of their debts as and when they fall due;
- (d) shall not apply to an outside entity incorporated in the United States of America, Canada or any of their territories or protectorates;
- (e) shall not apply to any outside entity listed on any stock exchange;
- (f) shall not apply to any **Claim** brought by any other director, officer or employee of the outside entity unless the **Claim** alleges an **Employment Practice Breach**; and
- (g) shall not extend to the outside entity in which the outside directorship is held or to any other director, officer or employee of such entity.

6.12 Pecuniary Penalties

Notwithstanding Exclusion 8.6(a) in respect of "Penalties & Punitive Damages", **Liberty** will indemnify the **Insured Person** against pecuniary penalties (including fines) it is required to pay for contraventions of statutory civil penalty provisions and no fault criminal offences as a result of a **Claim** provided that:

- (a) the pecuniary penalty is not imposed pursuant to law or legislation enacted by the United States of America, Canada or any of their territories or protectorates or in which the laws of those countries are applicable, even if only to a limited extent;
- (b) the relevant regulatory authority first takes action for the imposition of the pecuniary penalty during the **Policy Period** and such action is reported to **Liberty** during the **Policy Period**;
- (c) the **Insured Person** has complied with any lawful notice or direction received from, or any enforcement action taken by any appropriate regulatory authority under any statute within the time specified or, if no time is specified, within a reasonable time; and
- (d) **Liberty** will not pay for any pecuniary penalties in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

Notification under this extension must be given to **Liberty** in accordance with Claims Condition 12.1(a) and the **Insured** must give **Liberty** such information and cooperation as it may reasonably require in accordance with Claims Condition 12.1(b).

Part B Extensions

6.13 Period of Grace

If the **Policy** is neither renewed nor replaced by the **Named Insured** with a policy or policies providing similar cover then the **Named Insured** is entitled to an automatic extended reporting period of 45 days commencing from the end of the **Policy Period** during which time the **Insured** may notify to **Liberty** any **Claim** or **Management Inquiry** under Part B of the **Policy** provided it results from a **Wrongful Act** prior to the end of the **Policy Period**.

6.14 Pollution Defence Costs

Notwithstanding Exclusion 8.8 in respect of "Pollution", **Liberty** will pay on behalf of the **Insured Person** the **Defence Costs** which an **Insured Person** incurs in defending a **Claim** for or arising out of the actual or alleged discharge, dispersal, release or escape of any **Pollutant**.

6.15 Public Relations Costs

Liberty will pay on behalf of the **Insured** the reasonable and necessary costs and expenses incurred by an **Insured Person** with **Liberty's** prior written consent (which shall not be unreasonably withheld) in seeking advice from a public relations consultant solely for the benefit of protecting the **Insured Person's** professional reputation as a result of a **Wrongful Act** which has or could reasonably lead to a **Claim** being made against the **Insured Person**.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

6.16 Shareholder Pollution Claims

Notwithstanding Exclusion 8.8 in respect of "Pollution", **Liberty** will indemnify the **Insured Person** against liability the **Insured Person** incurs in respect of a **Claim** made directly or derivatively by any shareholder of the **Insured Organisation** alleging loss to the **Insured Organisation** or its shareholders for or arising out of any actual or alleged discharge, dispersal, release or escape of any **Pollutant**.

The cover provided under this extension will not apply if:

- (a) before the **Continuity Date**, an **Insured Person** with managerial responsibilities over environmental affairs, control or compliance of the **Insured Organisation**, knew or could reasonably have suspected that there existed any situation, circumstance or **Wrongful Act** which could have given rise to a **Claim**; or
- (b) the **Claim** is brought in the United States of America, Canada or any of their territories or protectorates.

6.17 Spouses, Estates & Representatives

Liberty will cover:

- (a) in the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** brought against his or her estate, heirs, executors, administrators or legal representatives; or
- (b) any **Claim** brought against the lawful spouse or domestic partner of an **Insured Person**, for a **Wrongful Act** by the **Insured Person**, as if the **Claim** had been brought against that **Insured Person**.

No cover is provided under this extension for any actual or alleged act or omission by such estate, heirs, executors, administrators, legal representatives, lawful spouse or domestic partner.

7. Part B Optional Extensions

The following extensions are subject to all the terms, conditions and exclusions, including all definitions of the **Policy** and shall apply only if they are specifically included in the **Schedule**.

7.1 Additional Limit for Non-Executive Directors

Liberty will pay under Insuring Clause 5.1 the applicable **Sub-Limit of Liability** in addition to the **Limit of Liability** for each non-executive **Director** if the **Limit of Liability** is exhausted due to the payment of amounts insured under Part B of the **Policy**. **Liberty** will only provide such additional **Sub-Limit of Liability** if the limits of liability available under any policy or policies in excess of the **Policy** have been exhausted.

The maximum amount payable by **Liberty** under this extension is \$5,000,000 in the aggregate for all non-executive **Directors**.

7.2 Company Securities Liability

Liberty will pay on behalf of the **Insured Organisation** the liability and associated **Defence Costs** which the **Insured Organisation** is legally liable to pay as a result of a **Securities Claim** alleging a **Wrongful Act**. In respect of the cover provided under this extension, the **Insured Organisation** will bear uninsured the **Coinsurance Percentage** of any liability and associated **Defence Costs** which exceeds the applicable **Excess**. **Liberty** will pay on behalf of the **Insured Organisation** the remaining percentage of such liability and associated **Defence Costs** up to the **Limit of Liability**.

7.3 Employment Practices Liability

Liberty will indemnify the **Insured Organisation** against civil liability the **Insured Organisation** incurs in respect of a **Claim** alleging an **Employment Practice Breach**.

However, no cover is provided for any:

- (a) responsibilities, obligations or duties in respect of any superannuation fund, profit sharing programme or other employee benefits programme;
- (b) obligation or breach of obligation providing for or under:
 - (i) paid or unpaid leave of any kind;
 - (ii) workers' compensation, occupational or workplace health and safety, disability benefits, unemployment benefits or compensation, unemployment insurance, retirement benefits or social security benefits;
 - (iii) redundancy or severance payments or entitlements; or
 - (iv) any **Industrial Instrument** or contract of employment.
- (c) obligation or breach of obligation to give adequate or any notice of termination;
- (d) back pay, or any compensation or damages attributable to the back-payment of remuneration, where the **Insured Organisation** is ordered by the relevant court or tribunal to reinstate the claimant as an employee;
- (e) front pay, future loss, future damages, future compensation or future economic relief, from the point in time that reinstatement was to occur, where the **Insured Organisation** is ordered by the relevant court or tribunal to reinstate the employee but refuses or fails to do so;
- (f) stock, shares, stock options, share options or any entitlement or right under any equity plan of any description;
- (g) bonus or incentive payments, or any entitlement or right under a bonus or incentive plan;
- (h) costs incurred by the **Insured Organisation** in connection with any educational, corrective, sensitivity or other programme, policy or seminar;

Part B Optional Extensions

- (i) **Claim** brought by or on behalf of any natural person who had or has direct or beneficial ownership or control of 15% or more of the issued capital of the **Insured Organisation**; or
- (j) any act or omission committed or allegedly committed or legal or regulatory proceedings brought outside the Commonwealth of Australia or New Zealand.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

8. Part B Exclusions

Liberty will not pay for any amounts insured under Part B of the **Policy** for or arising out of:

8.1 Consensual Claims

any **Claim** which is brought with the assistance, intervention, solicitation or active participation of the **Insured** against whom it is brought unless the **Insured** is legally required to assist, intervene, solicit or participate in the **Claim**.

8.2 Fraud & Dishonesty

any fraudulent, wilful, grossly reckless, malicious or dishonest conduct including any intentional breach of any law or regulation committed by the **Insured**.

This exclusion will only apply where it is established by an admission of such **Insured** or by a final judgment, award, finding or other adjudication of a court, tribunal, commission or arbitrator that such conduct did in fact occur.

8.3 Goods & Services Tax

any **GST** imposed or payable in respect of the **Premium** or any payment of insured amounts made under the **Policy**.

8.4 New Disclosure Documents

the issue of any **Disclosure Document** containing an offer for the issue, sale or transfer of securities, or any written or verbal representations made in connection with such an offer, which occurs or is alleged to have occurred after the commencement of the **Policy Period**.

8.5 North America Insured versus Insured

any **Claim** brought by or on behalf of the **Insured Organisation** or any **Insured Person** within the United States of America, Canada or any of their territories or protectorates or in which the laws of those countries are applicable, even if only to a limited extent, other than a **Claim**:

- (a) brought by or on behalf of any **Insured Person** for contribution or indemnity, if the **Claim** results directly from another **Claim** which would be covered under the **Policy** if made directly against the **Insured**;
- (b) brought in the name of the **Insured Organisation** by any legally authorised individual or entity (other than the **Insured Organisation** itself) provided that they are acting without the assistance, intervention, solicitation or active participation of the **Insured** against whom the **Claim** is brought; or
- (c) alleging an **Employment Practice Breach**.

Part B Exclusions

8.6 Penalties & Punitive Damages

- (a) any fines or other penalties; or
- (b) any exemplary, aggravated, multiple or punitive damages.

8.7 Personal Injury

death, bodily or mental injury, sickness or disease, emotional distress or mental anguish of any person. However, this exclusion does not apply to any **Claim** alleging emotional distress or mental anguish resulting from an **Employment Practice Breach**.

8.8 Pollution

the actual or alleged presence, discharge, dispersal, release or escape of any **Pollutant** or the cost of removing, nullifying or cleaning up any **Pollutant**.

8.9 Prior Matters

or in any way connected with:

- (a) any written demand, legal proceedings or **Management Inquiry** made, threatened, intimated against or involving the **Insured** prior to the commencement of the **Policy Period**;
- (b) any facts that, before the commencement of the **Policy Period**, the **Insured** was aware, or a reasonable person would have been aware, might give rise to a claim under the **Policy**;
- (c) any facts that might give rise to a claim under the **Policy** which have been reported, or which can be or could have been reported, to an insurer under any insurance policy entered into before the commencement of the **Policy Period**;
- (d) any facts that might give rise to a claim under the **Policy** which have been disclosed to any insurer in any proposal for insurance before the commencement of the **Policy Period**; or
- (e) any facts that might give rise to a claim under the **Policy** which were disclosed to **Liberty** in the proposal.

8.10 Property Damage

loss of, damage to or destruction of any real or personal property or any consequential losses flowing from such loss, damage or destruction.

8.11 Uninsurable Amounts

amounts uninsurable at law.

8.12 War, Terrorism & Nuclear

- (a) war (whether declared or not), civil disturbance or riot;
- (b) any actual or threatened act of terrorism or any action taken to, or taken in an attempt to, control, prevent or suppress any act of terrorism;
- (c) ionising radiation or contamination by radioactivity from any nuclear fuel or any waste from the combustion of nuclear fuel; or
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear weapon, installation, reactor or other nuclear assembly or nuclear component thereof.

PART C - Crime

In consideration of payment of the **Premium** by the **Named Insured** and subject to all the terms, conditions and exclusions, including all definitions of the **Policy**, **Liberty** agrees as follows:

9. Part C Insuring Clauses

9.1 Theft of Property

Liberty will pay for **Direct Financial Loss** sustained by the **Insured Organisation** resulting from **Theft of Property** by an **Employee** and/or **Third Party** provided such **Direct Financial Loss** is first **Discovered** and reported to **Liberty** during the **Policy Period**.

9.2 Malicious Acts of Employees

Liberty will pay for **Direct Financial Loss** sustained by the **Insured Organisation** resulting from any malicious act or omission of an **Employee** provided such **Direct Financial Loss** is first **Discovered** and reported to **Liberty** during the **Policy Period**.

10. Part C Extensions

Subject to all the terms, conditions and exclusions, including all definitions of the **Policy**, **Liberty** further agrees to extend cover provided under Part C of the **Policy** as follows:

10.1 Continuous Cover

Liberty will pay for **Direct Financial Loss** covered by Part C of the **Policy** first **Discovered** prior to the commencement of the **Policy Period** provided that:

- (a) the failure to notify such **Direct Financial Loss** was not a result of any fraudulent misrepresentation or fraudulent non-disclosure by any **Director**;
- (b) the **Direct Financial Loss** was first **Discovered** after the **Continuity Date**; and
- (c) **Liberty** will reduce its liability to the extent of any prejudice suffered as a result of the **Insured's** failure to notify such **Direct Financial Loss** prior to the commencement of the **Policy Period**.

10.2 Interest Receivable or Payable

Liberty will pay the interest not realised by the **Insured Organisation** or a **Client** as a result of a **Direct Financial Loss** covered by Part C of the **Policy**. The interest will be calculated by taking the average interest rate of the Reserve Bank of Australia during the period that such interest was not realised.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

Part C Extensions

10.3 Kidnap Expenses

Notwithstanding Exclusion 11.5 in respect of "Extortion, Kidnap & Ransom", **Liberty** will pay the **Insured Organisation** for **Kidnap Expenses** incurred as a result of a **Kidnapping** during the **Policy Period** and reported to **Liberty** during the **Policy Period**.

However this extension will not apply:

- (a) to any medical expenses covered under the Health Insurance Act 1973 (Cth) or the Private Health Insurance Act 2007 (Cth); or
- (b) to any **Kidnapping** in Afghanistan, Argentina, Bangladesh, Brazil, Burundi, Chad, Colombia, Cuba, Georgia, Haiti, India, Iraq, Mexico, Nigeria, Pakistan, Somalia or Sudan.

In the event of a **Kidnapping** the **Insured** must immediately call **Liberty's** Crisis Centre Hotline on 1800 220 470 (callers from Australia) or +44 7699 741 769.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

10.4 Loss Establishment Costs

In the event of an actual or suspected **Direct Financial Loss** to which Part C of the **Policy** may apply, **Liberty** will pay on behalf of the **Insured Organisation** the reasonable and necessary costs and expenses of an **Investigator** to:

- (a) investigate the facts and circumstances giving rise to the **Direct Financial Loss**;
- (b) determine the quantum of the **Direct Financial Loss**;
- (c) provide recommendations which may assist in preventing future recurrences of similar losses; and
- (d) prepare a written report and provide a copy each to **Liberty** and to the **Insured Organisation**.

The report by the **Investigator** shall be definitive of the quantum and the facts giving rise to the actual or suspected **Direct Financial Loss**.

If the actual or suspected **Direct Financial Loss** or any part thereof is not covered by Part C of the **Policy**, **Liberty** and the **Insured Organisation** shall share equally the **Investigator's** costs and expenses.

The **Insured** shall give the **Investigator** such information and co-operation as may reasonably be required including but not limited to:

- (i) all pertinent records;
- (ii) a description of the actual or suspected **Direct Financial Loss**;
- (iii) the names of actual or potential perpetrators; and
- (iv) the manner in which the **Insured** first became aware of the **Direct Financial Loss**.

This extension is not subject to any **Excess**.

Part C Extensions

10.5 New Funds

The definition of **Insured Fund** in Definition 14.16 is extended to include any **New Fund** provided that such **New Fund**:

- (a) is not domiciled or open to investors in the United States of America, Canada or any of their territories or protectorates;
- (b) does not result in a variation to the **Insured Organisation's** Australian Financial Services Licence; and
- (c) is not an absolute return fund, agricultural investment fund, mortgage fund or property development fund.

In respect of any New Fund to which any of (a) to (c) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the **Policy Period**) from the effective date such **New Fund** is first managed by the **Insured Organisation**. Upon provision to **Liberty** by the **Insured Organisation** of full details of the **New Fund**, **Liberty** will consider providing cover for a further period on such terms and conditions and for such additional premium as may be agreed.

Cover in respect of any **New Fund** applies only in respect of a **Direct Financial Loss** first sustained and **Discovered** after the **New Fund** was first managed by the **Insured Organisation**.

10.6 New Subsidiaries

The definition of **Subsidiary** in Definition 14.41 is extended to include any company which, according to the laws of the Commonwealth of Australia or the Australian State or Territory in which the **Policy** is issued, becomes a subsidiary of the **Insured Organisation** during the **Policy Period** provided that:

- (a) in the case of an acquisition, the revenue of the new subsidiary for the 12 months preceding the date of its acquisition does not exceed 25% of the consolidated revenue of the **Insured Organisation** for the 12 months preceding the commencement of the **Policy Period**;
- (b) the new subsidiary is not incorporated in the United States of America, Canada or any of their territories or protectorates; and
- (c) the new subsidiary has no financial losses from theft for the 5 years preceding the date of its acquisition.

In respect of any other new subsidiary to which any of (a) to (c) do not apply, **Liberty** will provide cover for a period of 45 days (but not beyond the end of the **Policy Period**) from the effective date of the new subsidiary being acquired or created. Upon provision to **Liberty** by the **Insured Organisation** of full details of the new subsidiary, **Liberty** will consider providing cover for the new subsidiary for a further period on such terms and conditions and for such additional premium as may be agreed.

Cover in respect of any such new subsidiary applies only in respect of **Direct Financial Loss** first sustained and **Discovered** whilst the subsidiary is a subsidiary of the **Insured Organisation**.

10.7 Period of Grace

If the **Policy** is neither renewed nor replaced by the **Named Insured** with a policy or policies providing similar cover then the **Named Insured** is entitled to an automatic extended reporting period of 45 days commencing from the end of the **Policy Period** during which time the **Insured** may notify to **Liberty** any claim for **Direct Financial Loss** under Part C of **Policy** provided its results from a **Direct Financial Loss** first **Discovered** prior to end of the **Policy Period**.

Part C Extensions

10.8 Public Relations Costs

Liberty will pay on behalf of the **Insured Organisation** the reasonable and necessary costs and expenses incurred by an **Insured Organisation** with **Liberty's** prior written consent (which shall not be unreasonably withheld) in seeking advice from a public relations consultant solely for the benefit of protecting the **Insured Organisation's** professional reputation as a result of **Direct Financial Loss** covered under Part C of the **Policy**.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

10.9 Software Reconstitution Costs

Notwithstanding Exclusion 11.2 in respect of "Computer Breakdown", **Liberty** will pay on behalf of the **Insured Organisation** the reasonable and necessary costs and expenses incurred by an **Insured Organisation** with **Liberty's** prior written consent (which shall not be unreasonably withheld), in re-writing or amending the **Insured Organisation's** software programs, systems and security codes where such re-writing or amending is necessary to correct those programs, systems and security codes after they have been altered or damaged as a result of a **Direct Financial Loss** covered under Part C of the **Policy**.

The maximum amount payable by **Liberty** under this extension is the applicable **Sub-Limit of Liability**.

11. Part C Exclusions

Liberty will not pay for any **Direct Financial Loss** or any other amounts insured under Part C of the **Policy** for or arising out of:

11.1 Client Theft

any **Theft** of a **Client's Property** by any director, officer, partner or employee of that **Client**.

11.2 Computer Breakdown

any mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, electronic data processing media failure or breakdown or any malfunction in any of the **Insured Organisation's** computer hardware or software.

11.3 Default on Agreements

any non-payment or default:

- (a) under any credit agreement or extension of credit agreement;
- (b) under any loan or transaction in the nature of a loan;
- (c) under any hire purchase, lease or rental agreement;
- (d) of or under any invoice, account or other evidence of debt; or
- (e) because payments are made or withdrawn from a customer account,

unless such non-payment or default is a result of **Theft** by an **Employee** (whether acting alone or in collusion with a **Third Party**) or the signing of another natural person's name by a **Third Party** with the intent to deceive.

Part C Exclusions

11.4 Directors

any **Theft** committed, condoned or acquiesced in by any **Director**.

11.5 Extortion, Kidnap & Ransom

any extortion, kidnap or ransom.

11.6 Goods & Services Tax

any **GST** imposed or payable in respect of the **Premium** or any payment of insured amounts made under the **Policy**.

11.7 Prior Knowledge

any **Theft** by:

- (a) an **Employee** after the **Insured Organisation** becomes aware or has reasonable cause to suspect that such **Employee** has committed **Theft** or a malicious act or omission during or prior to his or her employment with the **Insured Organisation**; or
- (b) a **Third Party** after the **Insured Organisation** becomes aware or has reasonable cause to suspect that such **Third Party** has committed **Theft**.

For the purposes of this exclusion, the awareness or suspicion of any of the **Insured Organisation's** partners, **Directors** or **Officers**, not acting in collusion with the **Employee** or **Third Party**, shall be deemed to be the knowledge of the **Insured Organisation**.

11.8 War, Terrorism & Nuclear

- (a) war (whether declared or not), civil disturbance or riot;
- (b) expropriation or nationalisation;
- (c) any actual or threatened act of terrorism or any action taken to, or taken in an attempt to, control, prevent or suppress any act of terrorism;
- (d) ionising radiation or contamination by radioactivity from any nuclear fuel or any waste from the combustion of nuclear fuel; or
- (e) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear weapon, installation, reactor or other nuclear assembly or nuclear component thereof.

12. Claims Conditions Applicable to Parts A, B & C

12.1 Notification of Claims & Co-operation

As soon as the **Insured** becomes aware of a **Claim**, **Professional Inquiry** or **Management Inquiry** or **Discovers** a **Direct Financial Loss** during the **Policy Period** the **Insured** must:

- (a) notify **Liberty** in writing of the **Direct Financial Loss**, **Claim**, **Professional Inquiry** or **Management Inquiry**. The notification must be sent to:

The Claims Department
Liberty International Underwriters
Level 27, 'Gateway'
1 Macquarie Place
Sydney, New South Wales, Australia 2000
Tel: 61-2-8298 5800
Fax: 61-2-8298 5887
Email: spcaclaims@libertyiu.com

Claims Conditions

- (b) give **Liberty** such information and co-operation as it may reasonably require including but not limited to:
- (i) a description of the **Direct Financial Loss, Claim, Professional Inquiry or Management Inquiry**;
 - (ii) the nature of the allegation;
 - (iii) the nature of the alleged or potential loss;
 - (iv) the names of actual or potential claimants; and
 - (v) the manner in which the **Insured** first became aware of the **Direct Financial Loss, Claim, Professional Inquiry or Management Inquiry**.

If any amounts insured under the **Policy** are also potentially insured under any other insurance policy or policies, then the **Insured** must advise **Liberty** within a reasonable time of making a claim under the **Policy** and provide **Liberty** with details of the other insurance.

12.2 Defence & Settlement

Liberty may, in its absolute discretion, take over the conduct of any investigation, settlement or defence of any **Claim**.

The **Insured** must:

- (a) take all reasonable steps to mitigate loss;
- (b) not agree to any waiver, limitation or delay as to their legal rights of recovery against any other party;
- (c) not admit liability, however this does not apply to a notification to ASIC in accordance with s912D of Corporations Act 2001 (Cth) or APRA in accordance with s29JA of the Superannuation Industry (Supervision) ACT 1993 (Cth);
- (d) not negotiate any settlement, enter into any settlement agreement or incur any **Defence Costs** or **Statutory Defence Costs** without the prior written consent of **Liberty** (which shall not be unreasonably withheld); and
- (e) give **Liberty** all the information and assistance that **Liberty** requires for the purpose of investigating:
 - (i) the cause and consequences of any **Claim**;
 - (ii) the **Insured's** liability to any party in respect of any **Claim**; and
 - (iii) whether **Liberty** has any liability to the **Insured** under the **Policy** and, if so, the extent of its liability;and, where applicable, conducting the defence of any **Claim**.

12.3 Basis of Valuation

Liberty will not be liable under Part C of the **Policy**, for more than the actual market value of **Property** as published in the Australian Financial Review on the day the **Direct Financial Loss** was first **Discovered** (or if not published on that date then immediately thereafter), or for more than the actual cost of replacing the **Property**, whichever is the lesser.

12.4 Loss Mitigation

In respect of Part C of the **Policy**, the **Insured** must, as soon as it has **Discovered** evidence of **Direct Financial Loss** involving an identified **Employee**, immediately take all necessary steps to prevent any additional **Direct Financial Loss** arising from the same identified **Employee**. Any further **Direct Financial Loss** caused by the same **Employee** after **Discovery** will not be covered under Part C of the **Policy**.

Claims Conditions

12.5 Order of Payments

Liberty will pay for amounts insured under the **Policy** in the order that they are presented to **Liberty**.

If it becomes apparent to **Liberty** that the **Limit of Liability** will not be sufficient to cover all such amounts, then **Liberty** will first pay for amounts insured under the **Policy** for which any **Insured Person** is legally liable. If after paying all such amounts there remains an unexhausted portion of the **Limit of Liability**, then **Liberty** will pay such other amounts for which the other **Insureds** are entitled to indemnity under the **Policy**.

12.6 Allocation

In the event the **Insured** makes a claim for **Direct Financial Loss** or is a party to a demand, legal proceedings, inquiry or hearing which is covered only in part by the **Policy**, the **Insured** and **Liberty** will use their best efforts to agree upon a fair and proper allocation of amounts insured under the **Policy** which relate solely to what is covered under the **Policy**.

In the event that an agreement cannot be reached, a **Senior Counsel** shall determine, as an expert but not an arbitrator, a fair and proper allocation. Until **Senior Counsel** has made his or her determination, **Liberty** may, in its absolute discretion, pay such amounts insured under the **Policy** as it considers appropriate.

12.7 Preservation of Right to Indemnity

If the **Insured Organisation** is legally required or permitted to indemnify any **Insured Person** for amounts insured under Part B of the **Policy** but fails or refuses to do so, then **Liberty** will pay for the amounts insured under Part B of the **Policy** on behalf of the **Insured Person**. In such event the **Insured Organisation** will be required to pay to **Liberty** the **Excess** under Insuring Clause 5.2.

12.8 Requirement to Contest a Claim

The **Insured** shall not be required to contest any **Claim** unless a **Senior Counsel** advises that such **Claim** should be contested. In formulating such advice, **Senior Counsel** shall take into consideration the economics of the matter (including potential amounts insured under the **Policy**) and the prospects of the **Insured** successfully defending the **Claim**.

In the event that **Senior Counsel** recommends settlement in respect of any **Claim** and the **Insured** does not agree that such **Claim** should be settled, the **Insured** may elect to contest such **Claim** provided always that the liability of **Liberty** shall not exceed the amount for which the **Claim** could have been settled plus **Defence Costs** incurred with **Liberty's** prior written consent up to the date of such election.

12.9 Challenging Pecuniary Penalties

If **Liberty** is satisfied that the **Insured** in accordance with Optional Extension 3.1 in respect of "Statutory Liability" or the **Insured Person** in accordance with Extension 6.12 in respect of "Pecuniary Penalties", has reasonable prospects of reducing the quantum of any pecuniary penalty or avoiding its imposition altogether, and that having regard to the amount of **Statutory Defence Costs** likely to be incurred in doing so, it is reasonable to challenge the imposition of the pecuniary penalty, then **Liberty** will pay the **Statutory Defence Costs**.

Claims Conditions

The **Insured** and **Liberty** will use their best efforts to agree upon whether it is reasonable to challenge the imposition of the pecuniary penalty. In the event that an agreement cannot be reached **Senior Counsel** shall determine, as an expert but not an arbitrator, whether it is reasonable to challenge the imposition of the pecuniary penalty. Until **Senior Counsel** has made his or her determination, **Liberty** may, in its absolute discretion, pay such **Statutory Defence Costs** as it considers appropriate.

In the event that **Senior Counsel** recommends that the pecuniary penalty should be paid and the **Insured** does not agree that the pecuniary penalty should be paid, the **Insured** may elect to challenge the imposition of the pecuniary penalty. If the **Insured** is not successful, then **Liberty** will pay the pecuniary penalty but not the **Statutory Defence Costs**. If the **Insured** is successful, then **Liberty** will pay the **Statutory Defence Costs**.

13. General Conditions Applicable to Parts A, B & C

13.1 Limit of Liability

The maximum amount payable by **Liberty** under each of Part A, B and C of the **Policy** is the applicable **Limit of Liability**.

The **Limit of Liability** is inclusive of any **Defence Costs**, **Sub-Limits of Liability** (other than Optional Extension 7.1 in respect of "Additional Limit for Non-Executive Directors") and any other amounts insured under each part of the **Policy** but does not include costs incurred by **Liberty** in determining whether the relevant part of the **Policy** provides insurance to the **Insured**.

The total aggregate limit of **Liberty's** liability under Parts A, B and C combined is the **Aggregate Limit of Liability**. The **Aggregate Limit of Liability** is inclusive of any **Defence Costs**, **Sub-Limits of Liability** and any other amounts insured under the **Policy** (other than Optional Extension 7.1 in respect of "Additional Limit for Non-Executive Directors").

If any amounts insured under the **Policy** are covered under one or more Parts of the **Policy**, then the maximum amount payable by **Liberty** will be the highest of the applicable **Limits of Liability** or **Sub-Limits of Liability** and the **Excess** will be the applicable **Excess** for the Insuring Clause or Extension to which that **Limit of Liability** or **Sub-Limit of Liability** applies.

13.2 Excess

In respect of:

- (a) Part A of the **Policy**, **Liberty** will only pay in respect of a **Claim** and associated **Defence Costs** and other amounts insured under Part A of the **Policy**, the amount which is above the **Excess**.

However the **Excess** will apply to each and every claim or dispute determined or settled under an ASIC Approved External Dispute Resolution Scheme.

The **Excess** will be the first amount borne by the **Insured** and will remain uninsured.

- (b) Part B of the **Policy**, **Liberty** will only pay in respect of a **Claim** and associated **Defence Costs** and other amounts insured under Part B of the **Policy** the amount which is above the **Excess**.

The **Excess** which is applicable will depend on whether the **Insured Organisation** is legally required or permitted to indemnify the **Insured Person**. If it is, the **Excess** is the one applicable to Insuring Clause 5.2 and will be the first amount borne by the **Insured Organisation** and will remain uninsured. If it is not, the **Excess** is the one applicable to Insuring Clause 5.1.

General Conditions

- (c) Part C of the **Policy**, **Liberty** will only pay in respect of each claim for **Direct Financial Loss** and other amounts insured under Part C of the **Policy**, the amount which is above the **Excess** (other than Extension 10.4 in respect of "Loss Establishment Costs"). The **Excess** will be the first amount borne by the **Insured Organisation** and will remain uninsured.

13.3 Subrogation

If **Liberty** grants indemnity under the **Policy**, then **Liberty** shall be subrogated to the **Insured's** rights of recovery against any person or entity whether or not payment has in fact been made and whether or not the **Insured** has been compensated in full for their loss. **Liberty** will not, however, seek to enforce any indemnity that an **Insured** is entitled to from any **Insured Fund**, unless such **Insured Fund** is entitled to indemnity under any other insurance policy. Each **Insured** must, at its own cost, provide all reasonable assistance to **Liberty** (including, but not limited to giving information, signing documents and giving evidence) to help enforce those rights.

The **Insured** must not do anything (including but not limited to excluding or limiting the liability of other parties in contracts, whether or not they are written contracts) that may prejudice **Liberty's** position or its potential or actual rights of recovery against any party.

Any amounts recovered by **Liberty** in excess of **Liberty's** total payment to the **Insured** (including **Defence Costs**) shall be restored to the **Insured** less the cost to **Liberty** of such recovery.

13.4 Severability of Proposal

Failure by any **Insured** to comply with the duty of disclosure under the Insurance Contracts Act 1984 (Cth) or misrepresentation by any **Insured** to **Liberty** shall not prejudice the right of any other **Insured** to cover under the **Policy**. Cover is only provided to an **Insured** who is innocent of and has no prior knowledge of such failure or misrepresentation.

13.5 Non-Imputation

For the purposes of determining the availability of cover provided under the **Policy**, the conduct of one **Insured** shall not be imputed to any other **Insured**, provided that cover is only provided to an **Insured** who is innocent of and has no prior knowledge of such conduct.

13.6 Change in Control

If a **Change in Control** occurs during the **Policy Period**, the **Policy** will continue to provide cover but only in respect of:

- (a) Part A of the **Policy**, **Professional Services** performed;
- (b) Part B of the **Policy**, **Wrongful Acts**; and
- (c) Part C of the **Policy**, **Direct Financial Loss Discovered**, prior to the effective date of the **Change in Control**.

13.7 Governing Law & Exclusive Jurisdiction

The **Policy** is governed by the law in force in the Australian State or Territory in which the **Policy** is issued. All matters arising from or relating to the construction or operation of the provisions of the **Policy** shall be submitted to the exclusive jurisdiction of the courts exercising jurisdiction under the law of that State or Territory.

General Conditions

13.8 Policy Interpretation & Construction

The headings in the **Policy** are for descriptive purposes only and do not form part of the **Policy** for the purpose of its construction or operation. Words used in the singular shall include the plural and vice versa. For the meaning of any words in bold refer to the **Schedule** or to the Definitions in Section 14 of the **Policy**.

14. Definitions Applicable to Parts A, B & C

In the **Policy**:

14.1 Agent means a natural person, company or other entity who has or had a written contract with the **Insured Organisation** to perform **Professional Services**, but only in relation to the performance of **Professional Services** for or on behalf of the **Insured Organisation**.

14.2 Change in Control means any one of the following events:

- (a) the **Named Insured** consolidates or merges with, or sells all or substantially all of its assets to, a person, entity or group of persons or entities acting in concert;
- (b) the **Named Insured** becomes a subsidiary of another entity or becomes controlled by another entity; or
- (c) an administrator, receiver, provisional liquidator or liquidator is appointed to the **Named Insured**.

14.3 Claim means:

- (a) in respect of Part A of the **Policy**, any written demand or civil proceeding first made or brought against the **Insured** during the **Policy Period**, and reported to **Liberty** during the **Policy Period** which may result in the payment of any amounts insured under Part A of the **Policy**.

Other than a claim determined or settled under an ASIC Approved External Dispute Resolution Scheme, all **Claims** under Part A of the **Policy** attributable to one source or originating cause shall be deemed to be a single **Claim**.

- (b) in respect of Part B of the **Policy**, any
 - (i) written demand or civil proceeding;
 - (ii) criminal proceeding; or
 - (iii) administrative or regulatory proceeding,first made or brought against an **Insured Person** during the **Policy Period**, and reported to **Liberty** during the **Policy Period** alleging a **Wrongful Act** which may result in the payment of any amounts insured under Part B of the **Policy**.

All **Claims** under Part B of the **Policy** attributable to one source or originating cause shall be deemed to be a single **Claim**.

14.4 Client means any natural person or other legal entity to whom the **Insured** has provided **Professional Services**.

Definitions

14.5 Defence Costs means:

- (a) reasonable and necessary costs and expenses incurred by **Liberty**, or by the **Insured** but only with **Liberty's** prior written consent (which shall not be unreasonably withheld) solely for the benefit of the **Insured** in the investigation, settlement, defence or appeal of any **Claim** covered under the **Policy**; and
- (b) the costs of obtaining **Senior Counsel's** advice or determination under the **Policy**.

Defence Costs does not include salaries, wages, allowances, travel or accommodation expenses incurred by the **Insured** in assessing, investigating, dealing with and assisting others to deal with any **Claim**.

14.6 Direct Financial Loss means the loss of **Property** belonging to an **Insured Organisation** or to a **Client** which is in the care, custody and control of the **Insured Organisation**.

Direct Financial Loss does not include:

- (a) indirect or consequential losses of any nature, including any loss of profits, interest or dividends not realised as a result of a **Direct Financial Loss**;
- (b) salaries, wages, fees, commissions, awards, bonuses, superannuation or other employee remuneration or benefits payable by the **Insured Organisation**, or
- (c) costs, fees or other expenses incurred in establishing the existence or amount of any **Direct Financial Loss**.

Direct Financial Loss resulting from a series of related acts or omissions will be deemed one **Direct Financial Loss**.

14.7 Director means a person who:

- (a) is appointed to the position of director of the **Insured Organisation**;
- (b) is appointed to the position of an alternate director of the **Insured Organisation** and is acting in that capacity; or
- (c) is not validly appointed as a director of the **Insured Organisation** but acts in the position of a director of the **Insured Organisation**.

14.8 Disclosure Document means any prospectus, product disclosure statement, information memorandum, registration statement or similar document whether or not it has been or is required to be filed or registered with the Australian Securities and Investments Commission, the United States of America's Securities and Exchange Commission or any similar regulatory authority in any other jurisdiction.

14.9 Discovered, Discovers or Discovery means a **Director** or **Officer** became aware for the first time of an occurrence which has or which at the time could reasonably have been expected to give rise to a **Direct Financial Loss** covered under the **Policy**, whether or not the exact amount or circumstances of such **Direct Financial Loss** were known at the time of becoming so aware. Such **Discovery** will be deemed to be **Discovery** by every **Insured**.

Definitions

14.10 Document means a document of any nature whether written, printed or reproduced by any method, including computer records or electronic data, in the possession or control of the **Insured** or the property of the **Insured** but does not include **Money** or **Securities**.

14.11 Employee means a person who is employed by the **Insured Organisation** including any full time, part time or casual employee. **Employee** does not include **Directors**, consultants, independent contractors, secondees to or agents of the **Insured Organisation** or their respective employees (including the employees of labour-hire companies).

14.12 Employment Practice Breach means any:

- (a) unfair, harsh, unreasonable, unjust or unlawful dismissal or termination of employment for which a statutory remedy exists or allegedly exists;
- (b) harassment (including sexual harassment) of any kind in the workplace including the alleged creation or permission of a harassing workplace environment;
- (c) discrimination or victimisation on any unlawful basis;
- (d) misleading or deceptive advertising or representation in respect of employment;
- (e) unfair failure to employ or promote, unfair deprivation of a career opportunity, unfair discipline, unfair failure to grant tenure or negligent performance evaluation;
- (f) unlawful interference with privacy;
- (g) denial of natural justice or procedural fairness;
- (h) defamation; or
- (i) wrongful infliction of emotional distress, anguish or humiliation, committed or allegedly committed against an **Employee** in respect of that **Employee's** past, present or prospective employment with the **Insured Organisation**.

14.13 GST means the tax imposed as goods and services tax under the A New Tax System (Goods and Services Tax) Act 1999 (Cth) or as amended and any penalty or interest payable in respect of that tax.

14.14 Industrial Instrument means:

- (a) an award, collective or individual agreement, minimum wage order or any other instrument made or authorised under statute; or
- (b) any other collective agreement, which regulates the terms and conditions of employment.

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

14.16 Insured Fund means any fund, sub-fund, trust, sub-trust, managed investment scheme, investment vehicle or investment mandate disclosed in the **Proposal** to which the **Insured** provides **Professional Services**.

14.17 Insured Organisation means the **Insured Fund** and the **Named Insured** and its **Subsidiaries**.

14.18 Insured Person means any past, present or future **Director**, **Officer** or **Employee** of the **Insured Organisation**.

Insured Person does not include any professional consultants, service providers, auditors, receivers, managers, liquidators, administrators, trustees, mortgagees in possession or the like, or any employees of such persons or entities.

Definitions

14.19 Intellectual Property Rights means all existing and future intellectual property rights throughout the world in whatever media, whether registered or unregistered and whether or not capable of registration, including but not limited to all copyright, patents, trade marks, trade names, domain names, brand names, slogans, logos, emblems and designs (and all applications or renewals for the protection or registration of these rights) together with all confidential information including trade secrets, know-how, formulae, methods, routines and other proprietary technology.

14.20 Investigator means any independent investigator, accountant or other consultant to be mutually agreed upon by **Liberty** and the **Insured Organisation** or, in the absence of agreement, to be appointed by the current Chairman of the Institute of Chartered Accountants of Australia.

14.21 Kidnap Expenses means the reasonable and necessary:

- (a) direct costs and expenses incurred by the **Insured**; and
- (b) fees and expenses of red24 and Intelligent Risks Pty Ltd for the purpose of responding to a **Kidnapping**, during, and within twelve months after a **Kidnapping**.

Kidnap Expenses do not include any services, **Money**, **Securities** or other property lost, stolen by or provided to a kidnapper as a result of a **Kidnapping**.

14.22 Kidnapping means the seizing, detaining or carrying away by force or fraud, one or more **Insured Person** while such **Insured Person** is conducting business for or on behalf of the **Insured Organisation**, by any person for the purpose of demanding services, **Money**, **Securities** or other property.

14.23 Liberty means Liberty International Underwriters which is a trading name of Liberty Mutual Insurance Company (ABN 61 086 083 605). Incorporated in Massachusetts, U.S.A. (The liability of members is limited).

14.24 Management Inquiry means any administrative or regulatory proceeding, official investigation, inquiry or hearing into the affairs of the **Insured** which an **Insured Person** is legally required to attend if findings from such proceeding, investigation, inquiry or hearing could lead to a **Claim** being made against an **Insured Person** which may be covered under Part B of the **Policy**.

14.25 Money means currency, coins, bank notes, bullion, precious metals, coupons, stamps, cheques, travellers cheques, registered cheques, postal orders and money orders.

14.26 New Fund means any fund, sub-fund, trust, sub-trust, managed investment scheme, investment vehicle or investment mandate which was first managed by the **Insured Organisation** after the commencement of the **Policy Period**.

14.27 Officer means a person (including any company secretary) who:

- (a) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the **Insured Organisation**;
- (b) is concerned in, or takes part in, the management of the **Insured Organisation**; or
- (c) is a member of a committee of the **Insured Organisation** including any compliance, investment or audit committee but only whilst they are a member of any such committee and only in relation to the performance of their duties as committee members.

Definitions

- 14.28 Policy** means this policy wording, any endorsements to it and the **Schedule**.
- 14.29 Policy Period** means the period of time specified in the **Schedule** unless the **Policy** is cancelled in which event the **Policy Period** will end on the effective date of the cancellation.
- 14.30 Pollutant** means any solid, liquid, gaseous, biological or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, noise, acids, alkalis, compounds, chemicals, asbestos including derivatives, mould or waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 14.31 Premium** means the amount payable by the **Named Insured** for the **Policy** including any applicable charges advised by **Liberty**.
- 14.32 Professional Inquiry** means any administrative or regulatory proceeding, official investigation, inquiry or hearing into the performance of **Professional Services** by the **Insured** which an **Insured** is legally required to attend if findings from such proceeding, investigation, inquiry or hearing could lead to a **Claim** being made against the **Insured** which may be covered under Part A of the **Policy**.
- 14.33 Professional Services** means:
- (a) financial, economic or investment advisory services;
 - (b) investment management services;
 - (c) fund management services; and
 - (d) services provided in the capacity of a trustee or responsible entity, relating to investments in connection with any **Insured Fund**, but only in respect of such services performed for or on behalf of the **Insured Organisation**.
- 14.34 Property** means **Money** and **Securities**.
- 14.35 Proposal** means the proposal form and any other information submitted by the **Named Insured** in proposing for this insurance.
- 14.36 Schedule** means the schedule attached to the **Policy** and signed by a person authorised by **Liberty**.
- 14.37 Securities** means any equity securities, debt securities or derivatives.
- 14.38 Securities Claim** means any:
- (a) written demand or civil proceeding brought either directly or derivatively by any holder of **Securities** (other than a **Director** or **Officer**) in the holder's capacity as an investor in the **Insured Organisation**; or
 - (b) administrative or regulatory proceeding, in relation to the **Insured Organisation's Securities**, first made or brought against the **Insured Organisation** during the **Policy Period** and reported to **Liberty** during the **Policy Period** for a **Wrongful Act** which may result in the payment of any amounts insured under Optional Extension 7.2 in respect of "Company Securities Liability".
- 14.39 Senior Counsel** means a Senior Counsel to be mutually agreed upon by **Liberty** and the **Insured** or, in the absence of agreement, to be appointed by the current President of the Law Society in the Australian State or Territory in which the **Policy** is issued.

Definitions

14.40 Statutory Defence Costs means the reasonable and necessary costs and expenses incurred by the **Insured** with **Liberty's** prior written consent (which shall not be unreasonably withheld) in challenging the imposition of a pecuniary penalty.

Statutory Defence Costs does not include the **Insured's** salaries, wages, fees, allowances, travel and accommodation expenses.

14.41 Subsidiary means any company which, according to the laws of the Commonwealth of Australia or the Australian State or Territory in which the **Policy** is issued:

- (a) in respect of Part A and B of the **Policy**, was a subsidiary of the **Named Insured** prior to the commencement of the **Policy Period**; or
- (b) is a subsidiary of the **Named Insured** at the commencement of the **Policy Period**.

Cover in respect of any such company in respect of:

- (i) Part A of the **Policy**, applies only in respect of **Professional Services** performed whilst the company was or is a **Subsidiary** of the **Named Insured**;
- (ii) Part B of the **Policy**, applies only in respect of **Wrongful Acts** whilst the company was or is a **Subsidiary** of the **Named Insured**; and
- (iii) Part C of the **Policy** applies only in respect of **Direct Financial Loss** first discovered whilst the company is a **Subsidiary** of the **Named Insured**.

14.42 Theft means the fraudulent or dishonest obtaining of **Property** by any means including but not limited to:

- (a) physical taking (including by violence or threat of violence);
 - (b) fraud;
 - (c) forgery;
 - (d) counterfeiting;
 - (e) establishing, altering or transferring in whole or in part a credit or debit balance in an account held at a bank or other financial institution;
 - (f) the unauthorised use of a computer system; and
 - (g) failing to return erroneously transferred funds;
- which results in an improper financial gain to an **Employee** and/or **Third Party**.

Improper financial gain does not include salaries, wages, fees, commissions, awards, bonuses, superannuation or other employee remuneration or benefits.

14.43 Third Party means a natural person other than a **Director**, **Officer** or **Employee**.

14.44 Wrongful Act means any:

- (i) act or omission of an **Insured Person** in his or her capacity as a **Director** or **Officer**; or
- (ii) matter claimed against an **Insured Person** solely because of his or her status as a **Director** or **Officer**.

Wrongful Act includes any **Employment Practice Breach** but it does not include any other act or omission committed or allegedly committed against an **Employee**.