

PROFESSIONAL INDEMNITY INSURANCE POLICY WORDING

1. INSURING CLAUSES

1.1 Civil Liability

ACE will indemnify the Insured against Loss arising from any Claim in respect of civil liability for breach of a duty owed in a professional capacity first made against an Insured during the Period of Insurance.

1.2 Defamation

ACE will also indemnify the Insured against Loss arising from any Claim in respect of civil liability for libel or slander first made against an Insured during the Period of Insurance.

2. LIMITS AND EXCESS

2.1 Each Claim Limit

The limit of ACE's liability for any Loss including Defence Costs is the sum insured specified in the Schedule as the each claim limit.

2.2 Aggregate Limit

The limit of ACE's liability in the aggregate for all Losses including Defence Costs is the sum insured specified in the Schedule as the aggregate limit.

2.3 Excess

The Insured will bear the first amount of each and every Loss including Defence Costs up to the amount specified in the Schedule as the excess.

2.4 Claim – Separate or Related Loss

For the purpose of determining whether there is separate or related Loss:

- (a) All Claims against the Insured and all loss of, damage to or destruction of Documents arising from the one act or omission or series of related acts or omissions will be treated as one Loss;
- (b) All Claims against the Insured and all loss of, damage to or destruction of Documents arising from the one matter or project will be regarded as one Loss;
- (c) All Claims and all loss of, damage to or destruction of Documents arising from the dishonesty or fraud of any one person or any two or more people acting in collusion will be regarded as one Loss; and
- (d) Otherwise, each Claim or loss of, damage to or destruction of Documents will be regarded as a separate Loss.

3. EXCLUSIONS

3.1 General

ACE will not be liable under the Policy to make any payment for Loss directly or indirectly caused by, arising out of or in any way connected with:

3.2 Fraud or Dishonesty

Any Insured: -

- (a) committing; or
- (b) permitting (whether knowingly or recklessly): -
 - (i) the making of a representation (including but not limited to, a representation by way of a certificate, acknowledgment or other document) which was known at the time it was made to be false;
 - (ii) any infidelity or any fraudulent, dishonest, criminal, wilful or malicious act, error or omission.

The Firm will retain (to the extent permitted by law) any property, remuneration or benefit belonging to that Insured and will deal with it as ACE requires.

3.3 Death or Bodily Injury

the death or bodily injury, sickness or disease of any person.

3.4 Property Damage

any damage to or destruction or physical loss of property.

3.5 Trading Debts

any trading or personal debt of any Insured or any Relative or Related Entity.

3.6 Prior Matters

any Claim -

- (a) first made prior to the Period of Insurance; or
- (b) directly or indirectly based upon, or attributable to, or in consequence of, any incident, occurrence, fact or matter known to the Insured prior to the Period of Insurance and which the Insured knew, or ought reasonably to have known, had the potential to give rise to a Claim under this Policy; or
- (c) directly or indirectly based upon, or attributable to, or in consequence of any circumstance or occurrence which has been notified under any other insurance attaching prior to the inception date of this Policy.

3.7 Contractual Undertaking

a warranty, guarantee, indemnity or other contractual undertaking or obligation to the extent that -

- (a) it extends a duty of any Insured beyond exercising the standard of care and skill reasonably to be expected in the circumstances; or
- (b) it increases the Loss for which any Insured is liable beyond the amount that would have been payable in the absence of such warranty, guarantee, indemnity or other contractual undertaking or obligation.

3.8 Rights of Recovery

an Insured having foregone, excluded or limited a right of recovery.

3.9 Year 2000 Date Failure

either of the following:

- (a) failure of any business system, computer system, program, microchip, integrated circuit or similar system or device to function correctly or adequately, which failure involves misinterpretation of any date or any date-related processing or programming error or deficiency, whether the date be in the year 2000 or any other year (“date failure”); or
- (b) any attempt to deal with or avert any date failure.

This exclusion applies irrespective of whether the system or device in which any date failure occurred was owned or operated by the Insured or by any other person or entity.

To the extent of any inconsistency, this exclusion overrides any other provision of this Policy, whether contained in the Policy Wording, Schedule or any endorsement.

3.10 Insured versus Insured

any Claim brought or maintained by or on behalf of any other Insured.

3.11 Related Entity/ Relative

any Claim brought or maintained by or on behalf of any person who or entity which was when the incident, fact or matter which gave rise to the Claim occurred, a Related Entity or Relative.

3.12 Nuclear

any radioactive, toxic, contaminating, explosive or other hazardous properties of any nuclear or atomic operation, installation, reactor, assembly, component, device, weapon, material, fuel or waste from the combustion of nuclear fuel.

3.13 War

war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, nationalisation, requisition or destruction of property by or under the order of any government or public authority.

3.14 Geographical

any act or omission which occurred in the United States of America or Canada.

3.15 Jurisdictional

any Claim:

- (a) involving the application of the law of any country other than Australia or New Zealand; or
- (b) for determination by a Court of law within a country other than Australia or New Zealand; or
- (c) to enforce any judgment, order or award made under any such law or by any such Court.

3.16 Insured's charges

any Claim to refund, account for or pay damages calculated by reference to, any fee or expense charged or incurred by any Insured.

3.17 Directors and officers liability

any breach by an Insured of a duty owed in the capacity of a director, secretary or officer of a body corporate.

3.18 Fines and Penalties.

any civil or criminal penalty, fine or any punitive, aggravated, multiple or exemplary or like damages, incurred or ordered to be paid by any Insured.

3.19 Retroactive Date

any act or omission by the Insured or some other person which occurred prior to any Retroactive Date specified in the Schedule.

3.20 Intellectual Property Infringement

any claim for breach of any intellectual property right (including copyright, trademark, registered design, patent, plagiarism, breach of confidentiality, disclosure of confidential information or otherwise) in connection with the Firm's Business unless covered by Optional Extension 7.3

3.21 Terrorism

death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by or resulting from or in connection with any:

- (a) Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- (b) Action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

3.22 Asbestos

Asbestos in whatever form or quantity.

3.23 Pollution

- (a) the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of Pollutants into or upon the land, atmosphere or any watercourse or body of water;
- (b) the cost of preventing, monitoring, removing, containing, treating, detoxifying, neutralising, nullifying or cleaning up of Pollutants.

3.24 Genetically Modified Organisms

any living organism in which the genetic material has been altered through gene technology by man.

3.25 Product Liability *ACE PI Wording 0505*

any defect or deficiency in goods manufactured, distributed or supplied by the Firm (including such goods not being fit for the purpose for which they were originally intended) and the recalling or withdrawing of such goods from sale.

3.26 Money

money, negotiable instruments or precious metals.

3.27 Insolvency

the insolvency, bankruptcy or liquidation of an Insured.

3.28 Real Property

the ownership or occupation of real property by an Insured.

3.29 Prospectus

the issue by an Insured of any prospectus.

3.30 Previous Business

Any business of which a Principal of the Firm was a director, company secretary, partner or sole practitioner before joining the Firm unless covered by Optional Extension 7.2.

3.31 Maintenance of Insurance

the effecting of or failure to effect, the maintenance of or failure to maintain, insurance.

3.32 Workers Compensation Insurance

An event covered by the Firm's statutory worker's compensation insurance.

4. GENERAL CONDITIONS

4.1 Notice of Claims

As soon as practicable, the Insured must give ACE notice in writing of any Claim first made against any Insured during the Period of Insurance.

The Insured must give notices under this clause to ACE –

C/- The Claims Manager
ACE Insurance Limited
28-34 O'Connell Street
SYDNEY NSW 2000 Australia

4.2 Co-operation and Assistance

Each Insured must, at their own expense, give ACE and any investigators or legal representatives appointed by ACE all information they reasonably require, and full co-operation and assistance in the conduct of the investigation (including for the purpose of enabling ACE to determine its liability to indemnify the Insured under this Policy), defence, settlement, avoidance or reduction of any actual or possible Claim or any proceedings.

4.3 Disclosure of Information

Legal representatives appointed by ACE to act on an Insured's behalf shall be entitled to disclose to ACE any information obtained while so acting and each Insured agrees to waive any claim for legal professional privilege to the extent that the privilege would otherwise prevent such legal representatives from disclosing information to ACE.

4.4 Reasonable Steps and Precautions

If a Principal becomes aware of an actual or possible Claim against any Insured, each Insured must thereafter take all reasonable steps and precautions, at the Insured's own expense, to avoid or minimise any liability or costs and expenses arising from that actual or possible Claim.

4.5 Conduct of proceedings

ACE may at its option take over and conduct in the name of any Insured any proceedings arising out of or relating to any Claim in respect of which ACE is, or may be, liable to indemnify any Insured.

4.6 Incurrence of Defence Costs

An Insured must not incur any Defence Costs without the prior written consent of ACE. ACE is not liable to indemnify any Insured for any Defence Costs unless ACE provides its prior written consent.

4.7 No Admission of Liability

An Insured must not settle or make any admission, offer, payment or otherwise assume any contractual obligation in relation to any Claim in respect of which ACE is, or may be, liable to indemnify any Insured without the prior written consent of ACE. ACE is not liable to indemnify any Insured for any settlement, admission, offer, payment or assumed obligation unless ACE provides its prior written consent.

4.8 Consent to Settlement

ACE will not settle any Claim without the prior consent of the Firm (which must not be unreasonably withheld). ACE reserves the right to rely on the ostensible authority of any Principal of the Firm to give such consent on behalf of the Firm, unless ACE is otherwise advised in writing.

4.9 Dispute as to Settlement

In the event of a dispute between ACE and the Firm as to whether a Claim should be settled, ACE shall be entitled to brief a barrister (to be mutually agreed or, in default of agreement, to be selected by the then President of the Law Society) to advise on whether or not the Claim should be contested. In providing such advice, the barrister shall be entitled to take into account both legal and commercial considerations. If the barrister's advice is that the Claim should be settled, ACE shall be entitled to settle the Claim on such terms as the barrister has advised. The barrister's fees will in each case be payable by the party against whose contention the barrister has advised.

4.10 ACE's Liability where no Consent to Settlement

If the Firm does not accept a recommendation for settlement by ACE and ACE does not utilise the procedure set out in clause 4.9 of this Policy, ACE's liability will be limited to the amount for which the Claim could have been settled plus costs and expenses incurred in accordance with the Policy up to the date upon which the recommendation was made.

4.11 Subrogation

If any payment is made by ACE in respect of a Claim under this Policy, ACE will be subrogated to all rights of indemnity, contribution or recovery of the Insured in relation to that payment. No Insured may surrender any right, or settle any claim for indemnity, contribution or recovery, without the prior written consent of ACE.

4.12 Alteration to Risk

The Insured must give ACE written notice as soon as is reasonably practicable after becoming aware of any actual or proposed alteration affecting ACE's risk under this Policy including any material change in the nature of the professional services provided by the Firm (including any proposal for the Firm's Business to cease with or merge with, or be taken over or acquired by, another entity) or any act of insolvency or bankruptcy of any Insured.

4.13 Cancellation

This Policy may only be cancelled by ACE. ACE may only cancel this Policy by written notice given to the Insured and in accordance with the requirements of law.

4.14 Governing Law

This Policy is governed by, and interpreted in accordance with, the laws of the Commonwealth of Australia and the State or Territory of the office of ACE from which the Policy was issued. Disputes relating to interpretation of this Policy must be submitted to the exclusive jurisdiction of the Courts of that State or Territory.

5. DEFINITIONS AND INTERPRETATION

5.1 General

In this Policy, unless the context otherwise requires -

- (a) the singular includes the plural and vice versa;
- (b) the male gender includes the female and vice versa;
- (c) the words “arising from”, where used in this Policy, imply a factual connection and not necessarily a causal connection;
- (d) headings are merely descriptive and not to aid interpretation; and
- (e) words used in this Policy have the meanings set out in this section and in the Schedule.

5.2 ‘ACE’

ACE means ACE Insurance Limited ABN 23 001 642 020

5.3 ‘Act of Terrorism’

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

5.4 ‘Claim’

A Claim is a demand for, or an assertion of a right to, civil compensation or civil damages arising out of the Firm's Business or an intimation of an intention to seek such compensation or damages.

5.5 'Defence Costs'

Defence Costs are legal costs and disbursements and related expenses reasonably incurred in -

- (a) defending any proceedings;
- (b) conducting any proceedings for contribution or recovery; or
- (c) investigating, avoiding, reducing or settling any Claim:

incurred by -

- (i) the Insured with the written consent of ACE after reporting the Claim to ACE; or
- (ii) ACE after it has assumed conduct of any such proceedings.

Defence Costs do not include any internal or overhead expenses of the Firm or the cost of any Insured's time.

5.6 'Documents'

Documents mean any document, computer tape, disc or other magnetic or electronic media entrusted to the Firm in the course of its provision of professional services, but excludes:

- (a) any bearer bond, coupon, stamp, bank note, currency note or negotiable instrument;
- (b) any document, computer tape, disc or other magnetic or electronic media owned by the Insured or any Relative or Related Entity .

5.7 'Employee'

Employee means each person employed in the Firm's Business and includes each former employee and each person who becomes an employee during the Period of Insurance.

5.8 'Firm'

The Firm:

- (a) means the person, partnership or body corporate specified in the Schedule. Where two or more entities are specified, the Firm means each of them, unless the context otherwise requires; and
- (b) includes any subsidiary of any body corporate specified in the Schedule which subsidiary is acquired or created during the Period of Insurance, provided that, unless ACE otherwise agrees in writing, the Retroactive Date for such subsidiary is the date of acquisition or creation

5.9 'Firm's Business'

The Firm's Business means the business specified in the Schedule.

5.10 'Insured'

The Insured is -

- (a) the Firm;
- (b) each Principal;
- (c) each Employee; and
- (d) the estate or legal personal representative of each deceased or legally incapacitated Principal or Employee.

5.11 'Interest'

Interest means any share, shareholding, entitlement or other financial interest, other than a shareholding of less than 10% of the issued share capital of a company publicly listed on an Australian stock exchange.

5.12 'Law Society'

Law Society means the representative body of the legal profession of the State or Territory of the office of ACE from which this Policy was issued.

5.13 'Loss'

Loss means the aggregate of all amounts payable by the Insured or ACE as civil compensation or civil damages in respect of a Claim, including judgments, settlements, legal costs and expenses awarded against an Insured and payments for Defence Costs.

5.14 'Loss of Documents'

Loss of Documents means the cost of replacing or restoring any Document which has been lost (and cannot be found after diligent search), damaged or destroyed except where that loss, damage or destruction relates to any computer tape, disk or other magnetic or electronic media or any data or programme contained in or on it and occurs -

- (a) as a result of exposure to any electronic or magnetic field, atmospheric conditions, heat or cold; or
- (b) when in use by, or when mounted in, any computer or electronic device unless the loss or damage results from its malfunction.

5.15 'Period of Insurance'

The Period of Insurance means the period specified in the Schedule.

5.16 'Policy'

Policy means the Policy Wording, the Schedule, any endorsement and, unless the context otherwise requires, incorporates the proposal or declaration for this insurance.

5.17 'Policy Wording'

Policy Wording means this document.

5.18 'Pollutants'

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

5.19 'Premium'

Premium means the amount specified in the Schedule as the premium.

5.20 'Principal'

Principal means, where the Firm is or was -

- (a) a body corporate - each director and the company secretary of that body corporate and each Employee with the right to participate in any distribution of the profits of that body corporate;
- (b) a partnership - each partner of that firm and each person held out as a partner; and
- (c) a sole practitioner - that practitioner,

and includes each former principal and each person who becomes a principal during the Period of Insurance.

5.21 'Related Entity'

Related Entity means each firm, company, trust or other entity in which any Related Interest is held.

5.22 'Related Interest'

Related Interest means any Interest beneficially held (whether directly or indirectly through any firm, company, trust or other entity) by or on behalf of any one or more of:

- (a) the Firm;
- (b) each Principal;

- (c) each Relative.

5.23 'Relative'

Relative means each spouse, defacto spouse, parent or child of each Principal, or each parent or child of a Principal's spouse or defacto spouse.

5.24 'Retroactive Date'

Subject to clause 5.8(b) of this Policy, Retroactive Date means the date specified in the Schedule.

5.25 'Schedule'

Schedule means the schedule ACE issues to the Firm with this Policy Wording or any subsequent or amended version of that schedule.

5.26 'USA or Canada'

USA or Canada means the United States of America, Canada or the Territories or Protectorates of either.

6. AUTOMATIC EXTENSIONS

6.1 General

Each of the following extensions applies automatically. Each of the Extensions is subject to the terms and conditions of this Policy unless the context expressly otherwise requires.

6.2 Loss of Documents

ACE will also indemnify the Insured against Loss of Documents, if the loss of, damage to or destruction of the Documents -

- (a) was first discovered by the Insured during the Period of Insurance; and
- (b) was first reported to ACE during the Period of Insurance or within thirty (30) days thereafter.

For the purposes of this Extension only:

- (a) the definition of Loss is amended throughout the Policy to mean Loss of Documents;
- (b) A sub-limit of A\$500,000 applies. This sub-limit forms part of and is not in addition to the limits of liability referred to in Clauses 2.1 and 2.2 of this Policy; and
- (c) Exclusion 3.4 does not apply.

6.3 Consultants, Contractors, Subcontractors and Agents

ACE will also indemnify the Insured against Loss arising from any Claim in respect of civil liability for breach of a duty owed in a professional capacity committed by any consultant, contractor, subcontractor or agent of the Insured for whose breach the Insured is legally liable, provided such Claim is first made against an Insured during the Period of Insurance.

This Extension does not make any such consultant, contractor, subcontractor or agent of an Insured.

6.4 Joint Venture Liability

ACE will also indemnify the Insured against Loss arising from any Claim in respect of civil liability for breach of a duty owed as a participant in a joint venture in connection with the Firm's Business (except Claims made by other joint venture participants), provided such Claim is first made against an Insured during the Period of Insurance.

This Extension does not make any other joint venture participant an Insured.

7. OPTIONAL EXTENSIONS

7.1 General

Each of the following Extensions applies if and only if it is shown to be included in the Schedule. Each of the Extensions is subject to the terms and conditions of this Policy unless the context otherwise requires.

7.2 Principals Previous Business

ACE will also indemnify any Principal against Loss arising from any Claim in respect of civil liability for breach of a duty owed in a professional capacity in connection with any previous business similar to the Firm's Business, provided such Claim is first made against that Principal during the Period of Insurance.

7.3 Intellectual Property Infringement

ACE will also indemnify the Insured against Loss arising from any Claim in respect of civil liability for unintentional breach of any intellectual property right (including copyright, trademark, registered design, plagiarism, breach of confidentiality, disclosure of confidential information or otherwise) except patent in connection with the Firm's Business, provided such Claim is first made against an Insured during the Period of Insurance.

Privacy Statement

ACE Insurance Limited wants to ensure that our policyholders are confident that any personal information collected by us is treated with the appropriate degree of confidentiality and privacy. To ensure this, ACE belongs to the General Insurance Information Privacy Code, a voluntary code aimed at providing policyholders with best practice for privacy queries and complaints. Full details of ACE's Privacy Policy are available on request.

Privacy Commitment

The following points explain why we collect and how we use your information:

- **Collection of your personal information:** *We collect only relevant information necessary to provide competitive insurance products and services.*
- **How we use your personal information:** *We use the information to provide insurance products and services and to issue and administer insurance policies.*
- **Disclosure of your information:** *We limit the release of personal information. We will not sell customer information to telemarketing companies. We will share information only when necessary to market and administer our own insurance products and services and when required by law.*
- **Your medical information is confidential:** *We will not use or share, internally or with any third parties, medical information for any purpose other than insurance underwriting or administration of a customer's policy or claim, as required by law or as authorised by you.*
- **We require strict privacy protections in our business relationships:** *We only engage in ventures with strategic partners that follow strict confidentiality requirements.*

How to access, correct or update your information

You will always have access to any personal information about you that we hold. Should you wish to be provided with a copy of this information please contact *our Privacy Officer at ACE Insurance Limited GPO Box 4907 SYDNEY NSW 1008.*

Your request will be actioned within 15 working days and copies of the information will be posted to your current address. If you wish to correct any of the information please contact our Customer Relations Team on 1800 815 675 (free call) or e-mail customer.relations@ace-ina.com. ACE will provide any information we hold, provided the information is not the subject of claim or legal proceedings or the request is not frivolous or vexatious.

How to make a privacy complaint

Should you be unhappy about our treatment of your personal information, please write to the Privacy Officer (*ACE Insurance Limited GPO Box 4907, SYDNEY NSW 1008*) clearly setting out the nature of your concern and our Privacy Disputes Panel will respond within 15 working days. If you require assistance in lodging your complaint please call 1800 815 675.

The Privacy Officer has the appropriate authority to deal with your complaint and can refer your complaint, if you are not satisfied with the result to the Privacy Compliance Committee at IEC Limited. Should your complaint not be resolved by the Privacy Compliance Committee it can be referred to the Federal Privacy Commissioner. If another code adjudicator or the Federal Privacy Commissioner could more appropriately deal with your complaint, then ACE or IEC Limited can refer it to them.