

LEGAL EXPENSES PROTECTION CONTRACT OF INSURANCE

The person or persons (referred to as "the Insured") named in the Schedule on the certificate of insurance attached to this Contract of Insurance have made to underwriters at Lloyd's, who have subscribed our name(s) to this Contract, a written proposal and declaration, bearing the date stated in the Schedule and containing particulars, representations and statements in reliance on which it is hereby agreed are the basis of this Contract and are to be considered as incorporated in it.

This Contract is evidence that in consideration of the payment of the premium stated in the Schedule, and subject to the terms, conditions and exclusions of this Contract, underwriters will, to the extent and in the manner set out herein:

SECTION A. INSURING CLAUSE

Indemnify the Insured up to but not exceeding in the aggregate, the Limit of Liability, or as otherwise agreed in this Contract, for reasonable Legal Expenses incurred by or on behalf of the Insured and previously consented to in writing by underwriters, in the defence of any Legal Proceedings, first made against them during the Period of Insurance and notified to underwriters in writing during the Period of Insurance, arising directly out of the Insured's Professional Business and falling within the Benefits set out in Section B.

SECTION B. BENEFITS

1. Employment Practices

Notwithstanding exclusion 10., indemnify the Insured for reasonable Legal Expenses in the defence of any Legal Proceedings for which the Insured is not entitled to be indemnified by any other party and which the Insured becomes obliged to pay in respect to a Wrongful Employment Act claim first made against the Insured during the Period of Insurance.

Provided that the Insured has sought the assistance and guidance, which may be recorded, of the Hotline as to the procedure to be adopted and has followed the assistance and guidance given with due diligence:

- (a) before taking any action against an Employee which could lead to dismissal, or selection for redundancy, or accepting an Employee's resignation or changing an Employee's terms or conditions of employment.
- (b) on becoming aware of any event or circumstance that may be deemed to be constructive dismissal, including but not limited to absence from work following an Employee walking out without written notice and the alteration of work hours or time by the Insured prior to any agreement with the Employee.

Hotline telephone number: 1800 661 204

Exclusions applicable to Benefit 1. only

Underwriters will not pay Legal Expenses arising from or relating to:

- i) any benefit due under a contract of employment;
- ii) any payment made in respect of redundancy;
- iii) any dispute that arises within three months of the inception of the Contract;
- iv) a dispute within the first six months of the Contract where a warning was given to an Employee in the six months prior to the Contract's inception;
- v) any compensatory award made against the Insured relating to:
 - a) trade union activities including membership or non-membership;
 - b) pregnancy, maternity or paternity rights.

2. Occupational Health and Safety

Notwithstanding exclusions 7, 8, 12, 14 and 17, indemnify the Insured for the reasonable Legal Expenses incurred in any Legal Proceedings first instituted against an Insured during the Period of Insurance where such Legal Proceedings arise from a breach of any Commonwealth, State, or Territory Occupational Health and Safety Law.

Provided that the Insured has sought the assistance and guidance, which may be recorded, of the Hotline as to the procedure to be adopted and has followed the assistance and guidance given with due diligence.

Hotline telephone number: 1800 661 204

3. Representation at Inquiries

Pay on behalf an Insured all reasonable Legal Expenses of legal representation at an official investigation, examination, inquiry or other similar proceedings in relation to the affairs of the Professional Business, its principals, partners or directors which an Insured is legally compelled to attend and which involves the Insured or the Professional Business.

For the purpose of this clause, "official investigation" includes any formal regulatory or formal administrative inquiry of an Insured by any governmental, regulatory (including self-regulatory), professional, trade, statutory or official body or institution, including a royal commission, commission of inquiry, judicial body or stock exchange which is empowered by law to investigate the Insured's performance of, or failure to perform, the Professional Business, but does NOT include any routine supervision, inspection, compliance or similar review of an Insured

undertaken by any regulatory (including self-regulatory), professional, statutory or official body or institution, or any investigation of industry-wide violations (as opposed to specific investigations of an Insured).

Provided that the Insured has given written notice to underwriters immediately the Insured was aware that an official investigation, examination, inquiry or other similar proceedings may be held.

4. Statutory Licence

Indemnify the Insured for reasonable Legal Expenses in respect to:

- (a) representation to any Australian registration or licencing authority following proposals to suspend, revoke, alter the terms, offer, or refuse to renew the Insured's professional registration or licence;
- (b) an appeal to the relevant statutory authority or court against the decision of a registration or licencing authority following an unsuccessful representation under (a) above.

Provided that:

- (i) such professional registration or licence has been declared to underwriters prior to inception of the Contract of Insurance;
- (ii) no appeal was made in the twelve months prior to the inception of the Contract of Insurance;
- (iii) the Insured has or is likely to suffer a financial loss if such steps are not pursued.

5. Tax Audit Insurance

Indemnify the Insured for professional fees reasonably and properly charged by a registered taxation consultant or accountant, in respect to a business audit conducted by the Federal Commissioner of Taxation during the Period of Insurance in respect to the Professional Business.

Provided always that the Insured's relevant income tax returns have been prepared by the Insured's registered taxation consultant or accountant.

6. BAS Audit

Indemnify the Insured for professional fees reasonably and properly charged by a registered taxation consultant or accountant, in respect to a Business Activity Statement audit of the Professional Business conducted by the Federal Commissioner of Taxation during the Period of Insurance.

Provided always that this Benefit shall not extend to any audit of Business Activity Statements prepared and/or submitted by the Insured to the Federal Commissioner of Taxation.

7. Superannuation Fund Audit

Indemnify the Insured for professional fees reasonably and properly charged by a registered accountant, external fund manager or administrator, or external fund auditor and/or consultant, in respect of a superannuation audit conducted by the Australian Prudential Regulation Authority and/or the Federal Commissioner of Taxation during the Period of Insurance in connection with a regulated superannuation fund established by the Insured for the benefit of any Employee.

8. State or Territory Group Payroll Tax Audit

Indemnify the Insured for professional fees reasonably and properly charged by a registered taxation consultant or accountant, in respect of an audit conducted under the relevant State, or Territory taxation legislation relating to the Insured's payroll tax during the Period of Insurance.

9. For the purpose of Benefits 5, 6, 7 and 8:

- (a) "audit" means any audit of the Professional Business conducted by the Federal Commissioner of Taxation, the Australian Prudential Regulation Authority and/or any State, or Territory Government and is deemed to have:
 - (i) commenced from the time and date that the Insured or its agent is first notified by the relevant authority that an audit is to take place; and
 - (ii) concluded when the Insured or its agent is first notified by the relevant authority of its completion.
- (b) underwriters will not pay more than:
 - (i) \$5,000 under Benefits 6, 7 and 8;
 - (ii) \$15,000 under Benefit 5;each claim and in the aggregate for each Period of Insurance.
- (c) any sums paid by underwriters under (b) (i) and (b) (ii) shall not be cumulative and are part of and not in addition to the Limit of Liability.

SECTION C. EXCLUSIONS

Underwriters shall not be liable for Legal Expenses or professional fees arising directly or indirectly from, or in connection with:

- 1. (a) wilful breach of duty, or the dishonest, fraudulent, reckless or malicious act or omission or other act or omission committed with criminal intent of any Insured; or
- (b) any Insured having improperly benefited in fact from securities transactions as a result of information that was not available to other sellers and/or purchasers of such securities; or
- (c) any Insured having gained in fact any personal advantage to which he was not legally entitled.

However this exclusion shall only apply where the Insured's conduct has been expressly admitted by the Insured or proven in court.

- 2. any Known Circumstance, or other circumstance, written notice of which has been given under any Contract of which this Contract is a renewal or replacement and if such prior Contract affords cover (or would afford such cover except for the exhaustion of its limits of liability) Legal Expenses or professional fees as a result of such notice.
- 3. any Claims or Legal Proceedings arising directly or indirectly out of the Professional Business prior to this Contract's Inception Date.

4. any Claims or Legal Proceedings arising out of the Professional Business prior to the Inception Date.
This exclusion extends to and includes any claim or loss relating to or in any way connected with the original subject matter or conduct giving rise to such claim or loss including any repetition or continuation of same occurring after the Inception Date.
5. any Claim or Legal Proceedings brought by or on behalf of any Insured against any other Insured.
6. any actual or alleged violation of the responsibilities, obligations or duties owed by fiduciaries, trustees, administrators or any others charged with duties with respect to any superannuation, pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any other form of benefits to Employees of the Professional Business.
7. Bodily Injury, (this includes any consequential claim for contribution or indemnity, howsoever formulated, in connection with any Bodily Injury), or Property Damage.
8. (a) the actual, alleged or threatened discharge, release, escape or disposal of Pollutants into or on real or personal property, water or the atmosphere; or
(b) any direction or request that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or any voluntary decision to do so; including but not limited to any Claim for financial loss to the Insured, its security holders or its creditors based upon, arising from, or in consequence of the matters described in (a) or (b) of this exclusion.
9. the publication of any material known by the Insured to be false.
10. any Wrongful Employment Act committed during any lockout, strike, picket line, stand down, or other industrial action.
11. any statute relating to workers compensation.
12. (a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
For the purposes of this exclusion combustion shall include any self-sustaining process of nuclear fission;
(b) nuclear weapons material.
13. any fine or penalty, income tax, customs duties, excise duty, stamp duty, sales tax or any other Government tax or duty including any fines, penalties, interest or adjustments of tax imposed by a Court of Law or the Federal Commissioner of Taxation or Australian Prudential Regulation Authority or Australian Securities and Investments Commission.
14. any Claim or Legal Proceedings which would not have arisen but for the existence of asbestos.
15. any act of war or terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
For the purpose of this exclusion an 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), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism is also excluded.
16. (a) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind; or
(b) any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins; or
(c) any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins.
17. the sexual assault or molestation of or indecent interference with any person or attempt thereat or the consequence thereof.

Exclusions Applicable to Benefits 5, 6, 7 and 8 Only

18. Underwriters shall not be liable to make any payment in respect of professional fees incurred in connection with any:
 - (a) matter in respect of which the Insured is, or but for the existence of this Contract would be, entitled to indemnity under any other contract or policy;
 - (b) criminal prosecution;
 - (c) taxpayer audit program audit and/or BAS audit commenced outside the Period of Insurance;
 - (d) audit and/or BAS audit where the culpable behaviour of the Insured is assessed by the Australian Tax Office as a case of deliberate evasion, or recklessness, or tax avoidance;
 - (e) Professional Business outside the territorial limits of the Commonwealth of Australia;
 - (f) record retention or record keeping audit;
 - (g) request by or on behalf of the Federal Commissioner of Taxation for substantiation of a claim and for which documentary evidence only is required;
 - (h) request by or on behalf of the Federal Commissioner of Taxation for a pre-lodgement substantiation review;

- (i) charges subsequent to the completion of any audit including but not limited to objections, appeals or reviews of any decision of any taxation or regulatory authority.

All exclusions 1 to 18 inclusive shall apply to any payments or indemnity sought by the Insured under this Contract.

SECTION D. DEFINITIONS

1. "Appointed Representative" means a solicitor or any other appropriately qualified person appointed to act in a professional capacity for the Insured in accordance with the terms of the Contract of Insurance.
2. "Bodily Injury" means bodily injury, sickness, disease, emotional distress, or any other mental, psychiatric, emotional or physical injury, or death of any person.
3. "Claim" means:
 - (a) a written demand for monetary damages or for any other relief, remedy or recompense for any Wrongful Act or Wrongful Employment Act or breach of any Commonwealth State or Territory Occupational Health and Safety Law;
 - (b) any other notice served by or on behalf of the Crown or by a statutory or regulatory authority in relation to a breach or alleged breach of a statutory or regulatory requirement;
 - (c) a notification by a statutory or regulatory authority or royal commission of an official investigation, examination, inquiry or similar proceedings;brought against any Insured for any Wrongful Act or Wrongful Employment Act, including any appeal therefrom.
4. "Contract" or "Contract of Insurance" means:
 - (a) the Contract of Insurance, the certificate of insurance and Schedule, insuring clauses, extensions, conditions, definitions, exclusions and other terms contained herein;
 - (b) any endorsement attaching to and forming part of this Contract of Insurance either at inception or during the Period of Insurance;
 - (c) the information contained in or associated with the proposal.
5. "Employee" means any person who was, is, or shall be under a contract of service with the Insured and such definition shall include a person whose position is terminated during the Period of Insurance.
6. "Hotline" means the service provided by underwriters to assist and guide the Insured via telephone number 1800 661 204, in relation to any event or circumstances arising with respect to any of the Benefits under Section B. 1 and 2 of the Contract of Insurance and is subject to condition 17. Hotline Procedure.
7. "Hotline Consultant" means any person with appropriate qualifications and expertise appointed by underwriters to the Hotline to assist and guide any Insured.
8. "Inception Date" means the commencement date of the Period of Insurance.
9. "Insured" means:
 - (a) the person(s), principal(s), members of the partnership, directors of the Professional Business and Employees thereof being the basis of this Contract;
 - (b) any person who becomes, during the Period of Insurance, a partner, director or Employee of the Insured, but in each case solely in respect of work carried out for or on behalf of the Insured and in the conduct of the Professional Business;
 - (c) the estate, heirs, legal representatives and assigns of any deceased Insured subject always to the terms, conditions, limitations and exclusions of this Contract of Insurance.
10. "Insured Capacity" means the position or capacity held by an Insured as a principal, partner or director in the Professional Business.
11. "Interrelated Wrongful Acts" means all causally connected Wrongful Acts.
12. "Known Circumstance" means any fact, situation or circumstance which:
 - (a) any Insured was aware of prior to the commencement of the Period of Insurance;
 - (b) a reasonable Insured would have considered at any time prior to the Period of Insurance might result in someone making an allegation against an Insured in respect of a Claim or loss that might be covered under this Contract.
13. "Legal Expenses" means:
 - (a) all reasonable legal costs, charges, fees (including but not limited to legal counsel's fees and expert's fees) other than costs awarded against the Insured, incurred with the prior written consent of underwriters in defending any Claim or Legal Proceedings referred to in Benefits 1 and 2 and any attendances under Benefits 3 and 4;
 - (b) reasonable professional fees charged by a registered taxation consultant or accountant.
14. "Legal Proceeding(s)" means:
 - (a) any Claim;
 - (b) civil proceedings commenced by the service of a notice, complaint, writ or similar originating process;
 - (c) a criminal proceeding commenced by the service of a notice, summons or charge;

- (d) any notice served by or on behalf of the Crown or by a statutory authority in relation to a breach or alleged breach of a statutory or regulatory requirement;
 - (e) any claim brought against any Insured for any Wrongful Act or a Wrongful Employment Act or breach of any Commonwealth State or Territory Occupational Health and Safety Law including any appeal therefrom.
15. "Limit of Liability" means the Limit(s) of Liability specified in the Schedule.
 16. "Period of Insurance" means that period of time specified in the Schedule.
 17. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste (including material to be recycled, reconditioned or reclaimed).
 18. "Professional Business" means the business of the Insured specified in the Schedule and carried out by the Insured within the Commonwealth of Australia.
 19. "Property Damage" means:
 - (a) physical injury or damage to or defect, impairment or destruction or loss of tangible property including consequential loss or the loss of use of that property;
 - (b) consequential loss relating to, or loss of use of, tangible property which has not been damaged as defined in paragraph (a) of this definition.
 20. "Schedule" means the Schedule on the certificate of insurance.
 21. "Wrongful Act" means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted within the Commonwealth of Australia, by an Insured, individually or otherwise, in his Insured Capacity, or any matter claimed against him solely by reason of his serving in such Insured Capacity.
 22. "Wrongful Employment Act" means any Wrongful Act committed within the Commonwealth of Australia in connection with the employment by the Insured of any Insured including:
 - (a) discrimination against an Employee, or applicant for employment whether because of race, colour, age, sex, disability, pregnancy, marital status, sexual orientation, sexual preference or otherwise;
 - (b) wrongful dismissal of an Employee;
 - (c) workplace harassment (whether sexual or otherwise) of an Employee;
 - (d) breach of an implied term of an oral or written employment contract or quasi-employment contract with an Employee;
 - (e) wrongful demotion, failure to promote, wrongful deprivation of career opportunity, wrongful discipline, negligent performance evaluation or failure to grant tenure of employment to an Employee;
 - (f) wrongful refusal to employ an applicant for employment;
 - (g) unintentional defamation arising from employment related matters (including by way of advertisement);
 - (h) misrepresentation or misleading advertising as to the terms and conditions of employment; or
 - (i) denial of natural justice or invasion of privacy arising from employment related matters.

SECTION E. CONDITIONS

1. Limit of Liability

- (a) For the purpose of this Contract, all Claims and Legal Proceedings arising out of the same Wrongful Act and all Interrelated Wrongful Acts of any Insured shall be deemed one Claim, and all such Claims and Legal Proceedings shall be deemed to have originated in the earliest possible Period of Insurance in which the Legal Proceeding or Claim is first made against any Insured alleging any such Wrongful Act or Interrelated Wrongful Acts.
- (b) The limit of underwriters' liability for Benefits under Section B. 1, 2, 3 and 4 of this Contract shall be the Limit of Liability set out in the Schedule. The total aggregate liability of underwriters on account of all Benefits under section B. 1, 2, 3 and 4 first made during the same Period of Insurance, whether covered by one or more than one Benefit, shall be the Limit of Liability for each Period of Insurance.
- (c) The limit of underwriters' liability under Section B. Benefits 5, 6, 7, and 8, of this Contract shall be the limits provided in Section B. Benefits clause 9.
- (d) Each subscribing underwriter's obligations under this Contract to which he or she subscribed is several and not joint and is limited solely to the extent of his or her individual subscription. No subscribing underwriter is responsible for the subscription of any co-subscribing underwriter who for any reason does not satisfy all or part of his or her obligations.

2. Claims Settlement Conditions

Underwriters' prior consent to pay Legal Expenses must be obtained in writing and consent will be given if the Insured can satisfy underwriters that:

- (a) there are reasonable prospects of successfully defending the Legal Proceedings;
- (b) it is reasonable in all the circumstances for Legal Expenses to be provided.

The decision to grant consent will take into account the advice of the Insured's Appointed Representative as well as that of underwriters' own legal advisors. Underwriters may require at the Insured's expense, an opinion of counsel on the merits of defending the Legal Proceedings. If the claim is subsequently admitted the costs of such opinions will be covered under the Contract of Insurance. Underwriters may discontinue indemnity if during the Legal Proceedings they consider that reasonable prospects of successfully pursuing or defending the Legal Proceedings no longer exist.

If the Insured decides to continue defending the Legal Proceedings for which underwriters have denied consent on ground 2(a) above and is successful, underwriters will pay the legal expenses as if consent had been given in the first instance.

3. Minimising Claims or Legal Proceedings

The Insured must take all reasonable measures to minimise the risk or likelihood of Claims, and the cost of Legal Proceedings. This includes, but is not limited to, the Insured and any agent or Appointed Representative of the Insured complying with any pre-action, costs or other protocol that applies to any Legal Proceedings which form the basis of a claim under this Contract.

4. Fraudulent Claims

This Contract of Insurance shall be voidable at the discretion of underwriters if the Insured makes any request for payment under this Contract:

- i) knowing it to be fraudulent or false in any way;
- ii) in circumstances where the Insured is thought reasonably to have known that the claim was false or fraudulent in any way; or
- iii) where there is collusion between the parties to the dispute.

Any premiums paid shall be forfeited.

5. Insolvency of Insured

If the Insured is insolvent when a claim is notified to underwriters or becomes insolvent during the course of any Legal Proceedings, to which underwriters have given support, underwriters have the right to refuse to admit or immediately to withdraw their support of a claim.

6. Notification of Claims and other matters

Underwriters must be notified in writing immediately when the Insured becomes aware of any Claim or Legal Proceeding against it or of any dispute or facts which may give rise to any Claim or Legal Proceedings involving the Insured or any loss which may be covered under this Contract.

Notice to underwriters under this Contract shall be given in writing addressed to:

Resource Underwriting Pacific Pty Ltd
Level 8, 22 William Street
MELBOURNE VIC 3000

Such notice shall be effective on the date of actual receipt by or on behalf of underwriters at such address.

7. Conduct of Legal Proceedings

(a) Nomination of the Appointed Representative

Prior to the appointment of solicitors underwriters may seek to obtain a settlement of the Claim or Legal Proceedings on the Insured's behalf. At the point it becomes necessary to appoint a representative underwriters will nominate a representative from their panel solicitors. The Insured is entitled to nominate their own representative however underwriters must be satisfied that the Insured's chosen representative has the necessary expertise to deal with the Legal Proceedings. Unless the Insured is willing to pay the difference in costs, the Insured's chosen representative must adhere to the terms of retainer in operation between underwriters and their suggested representative. A copy of those terms will be made available on request. Any non-panel firm must comply with underwriters' service standards which will be provided on appointment.

In the event of disagreement between underwriters and the Insured on the appointment of an appropriate representative, underwriters shall have the final decision.

Any representative is appointed in the Insured's name to act for the Insured.

(b) All information to be given to the Appointed Representative

The Appointed Representative must be given all information and assistance required. This must include a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the Insured's possession or control. The Insured must obtain or execute all documents as may be necessary and attend any meetings or conferences when requested.

(c) Access to the Appointed Representative

Underwriters are entitled to obtain from the Insured's Appointed Representative any information, document, or advice relating to a claim under this Contract, whether or not privileged or confidential. On request the Insured will give any instructions necessary to ensure such access.

(d) Instruction of counsel or appointment of expert witness

An Appointed Representative must obtain the prior written consent of underwriters if it wishes to instruct counsel or appoint expert witnesses. The names of counsel or the expert witnesses must be submitted to underwriters together with an explanation of the necessity for such action.

(e) Disputes about contesting a claim

In the event that underwriters seek to settle a Claim or Legal Proceedings and the Insured does not agree with that course of action, then the Insured may elect to contest that Claim or Legal Proceedings. Underwriters' liability in connection with such Claim or Legal Proceedings shall not exceed the amount of Legal Expenses incurred at the time when the Claim or Legal Proceedings could have been settled.

The Insured or underwriters shall not be required to contest any Claim or Legal Proceedings, unless an appropriate barrister (to be mutually agreed upon by the Insured and underwriters or failing agreement to be appointed by the president of the local bar council/association) shall advise that such Claim or Legal Proceedings should be contested.

In formulating such advice, the barrister shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff the likely costs and expenses involved and the prospects of the Insured successfully defending the Claim or Legal Proceedings.

The cost of the barrister's opinion shall be regarded as part of the Legal Expenses covered under this Contract.

(f) Offer of settlement

The Insured must inform underwriters in writing as soon as an offer to settle any Claim or Legal Proceedings is received or a payment into court is made.

The Insured must not unreasonably withhold consent to the Appointed Representative making an offer to settle the Claim or Legal Proceedings.

The Insured must not enter or offer to enter into any agreement to settle without underwriters' prior written consent. Any such agreement must take into account underwriters' interest in the recovery of costs.

(g) **Payment of legal expenses**

All bills relating to any Claim or Legal Proceedings which the Insured receives from the Appointed Representative should be forwarded to underwriters without delay.

Bills must be certified by the Insured to the effect that the charges have been properly incurred and that underwriters are authorised to settle on the Insured's behalf. Gross sum bills must be accompanied by a breakdown setting out the work done and rates applied.

If requested the Insured must ask the Appointed Representative to submit the bill of costs for assessment or certification by the appropriate law society or court.

The Insured must not, without underwriters' written consent, enter into any agreement with the Appointed Representative as to the payment of Legal Expenses.

(h) **Withdrawal by the Insured**

Where underwriters have provided an indemnity for Legal Expenses and the Insured withdraws from the Claim or Legal Proceedings without underwriters' agreement, the underwriters shall be entitled to reimbursement of all Legal Expenses paid.

(i) **Recovery of costs and expenses**

The Insured shall be responsible for the repayment to underwriters of any award of costs made in favour of the Insured or costs agreed to be paid to the Insured as part of any settlement.

Any costs recovered by the Insured from third parties for costs incurred in the defence of a Claim or Legal Proceedings or otherwise must be paid to underwriters in as much as those costs reimburse underwriters for Legal Expenses paid under this Contract.

Where Legal Expenses incurred in the defence of the Claim or Legal Proceedings or otherwise exceed the Limit of Liability, any costs recovered by the Insured from third parties for costs incurred in the defence of a Claim or otherwise shall be reimbursed to underwriters in priority to Legal Expenses paid in excess of the Limit of Liability.

8. Other Insurance

In the event that another contract of insurance (not being a contract of insurance entered into by the Insured within the meaning of section 45 of the Insurance Contracts Act 1984 Cth) includes cover to the Insured for a liability (including an alleged liability) for which there would also be cover under this Contract of Insurance, the following provisions apply:

- (a) This Contract of Insurance wholly attaches as an excess layer contract of insurance over and above the other contract of insurance;
- (b) This Contract of Insurance stands wholly above the other contract of insurance notwithstanding the fact of any difference in conditions, including but not limited to excess, deductible, or self insured retention, between this Contract of Insurance and the other contract of insurance;
- (c) At all times any liability under this Contract of Insurance remains subject to the excess, deductible or self insured retention applicable under this Contract of Insurance, after the limit of indemnity under the other contract of insurance is reached and before any liability under this Contract of Insurance takes effect.

9. Jurisdiction and Service of Suit

It is agreed that:

- (a) in the event of a dispute arising under this Contract, underwriters at the request of the Insured shall submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.
- (b) any summons notice or process to be served upon the underwriters may be served upon Mr. Peter Rashleigh of DLA Piper Australia, Level 17, 140 William Street, Melbourne VIC 3000 who has authority to accept service and to enter an appearance on underwriters' behalf, and who is directed at the request of the Insured to give a written undertaking to the Insured that he will enter an appearance on underwriters' behalf.
- (c) if a suit is instituted against any one of the underwriters all underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

10. Authorisation Clause

By acceptance of this Contract, the Insured principal(s) agree(s) to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or termination of employment, the payment of premiums and the receiving of any return premiums that may become due under this Contract, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Contract and the Insureds agree that the Insured principal(s) shall act on their behalf.

11. Subrogation

In the event of any payment under this Contract, underwriters shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable underwriters effectively to bring suit in the name of the Insured. Underwriters' right of subrogation shall not extend to a right of recovery from any Employee of the Insured, except where such right arises from conduct on the part of the Employee which is dishonest, fraudulent or criminal.

12. Alteration and Assignment

No change in, modification of, or assignment of interest under this Contract shall be effective except when made by a written endorsement to this Contract which is signed by an authorized signatory of underwriters.

13. Confidentiality Agreement

The Insured and/or any persons at their direction or on their behalf shall not disclose the existence of this Contract, its Limits of Liability, the nature of the liability indemnified, or the premium payable under it to any third party.

14. Severability and Non Imputation

For the sake of determining cover under this Contract:

- (a) the written proposal shall be construed to be a separate application for cover by each Insured and no statement or representation in or with respect to the proposal by an Insured shall be imputed to any other Insured;
- (b) this Contract shall be construed to be a separate Contract between the Insurer and each Insured and no breach of any term or condition of this Contract or other misconduct by any Insured shall be imputed to any other Insured;
- (c) no fact or knowledge possessed by one Insured shall be imputed to any other Insured;

Provided always that this condition shall not apply where there was a fraudulent misrepresentation or fraudulent non-compliance with the duty of disclosure, to underwriters, at the time of entering into the Contract.

15. Goods and Services Tax Neutrality

Underwriters and the Insured agree that to the extent possible as between them neither is to be adversely affected or advantaged by the operation of "GST". If any party requires a tax invoice or the assistance of any other party to obtain an input tax credit the other party will provide such invoice or assistance promptly upon being requested to do so.

For the purposes of this Condition "GST" means tax payable under A New Tax System (Goods and Services Tax) Act 1999 and, unless the context otherwise requires, other expressions used in this section have the meanings given to those expressions in that Act.

16. Construction/Interpretation

- (a) Clause headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.
- (b) Unless the contrary intention appears in this Contract:
 - (i) words importing a gender include any other gender, and
 - (ii) words in the singular include the plural and words in the plural include the singular.

References to statutes include amendments thereof, regulations thereunder, and re-enactments or consolidations thereof.

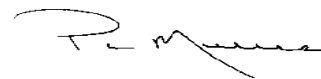
17. Hotline Procedure

Underwriters and the Insured agree on the following Hotline procedure:

- (a) The Hotline is a service provided by underwriters to assist and guide Insureds and is not intended to be a substitute for the Insured's right to seek independent legal or other expert advice with respect to events or circumstances arising with regard to any Benefits under Section B. of the Contract of Insurance.
- (b) The use of the Hotline by the Insured shall not constitute notification under condition 6 of the Contract.
- (c) The Insured agrees that any information or documents including transcripts or electronic records of conversations with a Hotline Consultant shall not be the subject of a claim for privilege or confidentiality and may be made available to underwriters to determine the Insured's entitlement to Benefits under Section B. of the Contract.

To be valid, this Contract must have attached to it the certificate of insurance signed by an authorised officer of Resource Underwriting Pacific Pty Ltd.

THIS IS TO CERTIFY that in accordance with the authorisation granted to Resource Underwriting Pacific Pty Ltd under the Contract No. stated in the Schedule by certain underwriters at Lloyd's, whose names and the proportions underwritten by them which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Policy Signing Office, and in consideration of the premium specified herein, the said underwriters are hereby bound, each for his own part and not for another, their heirs, executors and administrators, to indemnify in accordance with the terms and conditions contained herein or endorsed hereon.



.....
 Paul L Muller
 Managing Director
 Resource Underwriting Pacific Pty Ltd
AFS Licence No: 247340
 Lloyd's Coverholder

Resource Underwriting Pacific Pty Ltd is conscious of its obligations under the **privacy** legislation and regulations relating to the way we can collect, use, keep secure and disclose personal information. We have developed a privacy policy which explains what sort of personal information we hold about you and what we do with that information.

Resource Underwriting Pacific Pty Ltd is also conscious of its obligations under the **General Insurance Code of Practice** (the Code) and is committed to complying with the Code's service standards in our dealings with you including the management of any complaint or dispute which might arise.

Please contact your insurance broker to obtain a copy of Resource Underwriting Pacific Pty Ltd's privacy policy or for further information about the Code. A copy of our privacy policy or further information about the Code may also be obtained from our offices in Melbourne or Sydney or from our website at www.ruppl.com.au