

DUTY OF DISCLOSURE

This proposal form is to be completed by the Applicant or an Authorised Officer of the Applicant. The information provided to Vero Liability in this proposal form will be the basis of any contract of insurance entered into.

You must disclose to Vero Liability Insurance Limited all information which is material to it in deciding whether to issue insurance cover to you, and if so on what terms and/or premium. This includes but is not limited to any circumstances or conduct which might lead to a claim being made against you. This may also include information which is additional to the questions that we have asked. The duty to disclose material information occurs prior to the commencement of cover, prior to each renewal or whenever the policy is varied. This means that prior to renewal or any policy variations, as well as advising of new information you also need to advise us of any alterations to the facts previously notified. Failing to disclose material information may result in your policy being avoided. This means that your policy would be deemed to have never existed and no claims would be payable.

If there is insufficient space to provide full information in this proposal, please attach additional sheets. **WHEN IN DOUBT DISCLOSE.**

IMPORTANT NOTICE

This is a proposal form for a Claims Made policy. The policy will only respond to claims and/or circumstances which are first made known to the Insured and notified to Vero Liability Insurance Limited during the policy period. The policy will not provide cover for:

- Events that occurred prior to the retroactive date of the policy (if specified).
- Claims made after the expiry of the policy period (or extended reporting period if available) even though the act giving rise to the claim may have occurred during the policy period.
- Claims notified or arising out of facts or circumstances notified under any previous policy or noted on the current proposal form or any previous proposal form.
- Claims made, threatened or intimated prior to the commencement of the policy period.
- Claims arising from circumstances known to the Insured at the commencement of the policy period as having the potential to give rise to a claim.

Applicant Details

Name of applicant including trading names, names of subsidiaries and any other parties to be insured: _____

Address: _____

Website Address _____

Email Address _____ Contact Person _____

Phone Number _____ Fax Number _____

Broker / Agent _____

Financial Details

Please provide gross fees or income (including fees paid to subcontractors) as follows:

| Country | Last Financial Year | Current financial Year estimated | Next financial year estimated |
|----------------|---------------------|----------------------------------|-------------------------------|
| New Zealand | \$ | \$ | \$ |
| Australia | \$ | \$ | \$ |
| Asia & Pacific | \$ | \$ | \$ |
| UK & Europe | \$ | \$ | \$ |
| USA/Canada | \$ | \$ | \$ |
| Total | \$ | \$ | \$ |

Business Details

State fully the nature of your business/profession including details of any advice given and/or services provided (please include current and past activities):

When was the business established?

Has the name of the business ever changed?

Yes No

Has any other business amalgamated or merged with you?

Yes No

Have you purchased another business?

Yes No

Please advise the estimated percentage of revenue applicable to the following activities:

| | |
|---------------------------------------------------------------------------|---|
| Value added resale & distribution, retails sales of hardware and software | % |
| PC based packaged software development | % |
| PC based custom software development | % |
| Client server software development | % |
| Mainframe package software development | % |
| Mainframe custom software development | % |
| General Consultancy | % |
| Systems and/or programme design | % |
| Contract programming | % |
| Data processing/ Data Warehousing | % |
| Database design/ database administration | % |
| Website Developer / Website administration | % |
| Website software Development | % |
| Sale of software where programme code is modified | % |
| Third party Software sales | % |
| Internet service Provider or Online service provider | % |
| Integration Services | % |
| Maintenance Services | % |
| Facilities Management | % |
| Bureau Services | % |
| Telecommunications Services | % |
| Other (please describe) | % |

Please advise the estimated percentage of end user applications of your Products & Services:

| | |
|----------------------------------|---|
| Core Business Functions | |
| Inventory Control | % |
| Freight / Goods / Stock Movement | % |

Proposal Form Information Technology Liability

| | |
|----------------------------------------------------------------|---|
| Maintenance / Asset management | % |
| Manufacturing Control Process | % |
| Security (digital certificates, firewalls ,encryption) | % |
| Online stock trading | % |
| Funds transfer | % |
| Accounting (including debtors & creditors) | % |
| Multimedia | % |
| Documentation Management Systems | % |
| Others (Please describe) | % |
| | |
| Please advise the estimated percentage of end user profiles: | % |
| Pharmaceutical | % |
| Chemical manufacturer | % |
| Oil & Gas | % |
| Transport (Road, Rail, Air & Sea) | % |
| Food & Drink Manufacturer | % |
| Broadcasting (Radio & TV) | % |
| Gaming | % |
| Mining | % |
| Medical | % |
| Cosmetic Manufacturing | % |
| Public Utilities (power & water) | % |
| Computer & Electronic Parts Manufacturer | % |
| Defence Forces | % |
| Emergency Services (police, fire, ambulance) | % |
| Scientific and Measurement | % |
| Civil Engineering (bridges, dams roads buildings) | % |
| Manufacturing (ships, aircraft, motor vehicles, rolling stock) | % |
| Educational | % |
| Financial (stockbroking, banking, insurance) | % |
| Government | % |
| Legal | % |
| Accounting | % |
| Other (please describe): | % |

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------|---------------------------------|
| How would You rate Your typical customer's technical sophistication: | High <input type="checkbox"/> | Average <input type="checkbox"/> | Little <input type="checkbox"/> |
| How would You rank Your customer's potential for consequential damage and resulting dollar loss due to the failure of Your Products or Services: | High <input type="checkbox"/> | Average <input type="checkbox"/> | Little <input type="checkbox"/> |

Your Products

What percentage of your revenues are derived from the following:

| | |
|---------------------------------------------|---|
| Products you create and distribute | % |
| Products you sell and distribute for others | % |
| Royalties you receive | % |
| Distribute only, for others | % |
| Advertising products or services for others | % |
| Online Commerce | % |
| Others (Please describe): | % |

When Your Products are being sold or marketed through others, what percentage (on average) do You require as a royalty?

Of Products that You will generate revenue from in this current financial year, what percentage are:

| | |
|-----------------------------------|---|
| Zero to 1 Year | % |
| Over 1 year but less than 2 Years | % |
| 2 Years but Less than 5 Years | % |
| 5 Years or Longer | % |

Web-based Activities

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|
| Does Your website(s) support a chatroom or bulletin board? | Yes <input type="checkbox"/> ▶ | No <input type="checkbox"/> |
| ▶ If Yes, who manages the chatroom or bulletin board? | | |
| If a sub-contractor manages the chatroom or bulletin board, do you make the sub-contractor contractually responsible for liabilities arising out of the chatroom or bulletin board? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you edit the chatroom or bulletin board? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Quality Assurance

Which of the following best describes Your system development documentation, quality control and testing and customer involvement with testing and quality review?

| | | | |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|-------------------------------|
| <input type="checkbox"/> Detailed written with extensive customer involvement | | | |
| <input type="checkbox"/> Good written with average customer review | | | |
| <input type="checkbox"/> No written or implemented with little customer review | | | |
| Describe the controls You have in place to prevent or mitigate damages: | Detailed <input type="checkbox"/> | Limited <input type="checkbox"/> | None <input type="checkbox"/> |
| Briefly describe Your customer acceptance and sign-off process: | Yes <input type="checkbox"/> | No <input type="checkbox"/> | |
| Describe any other quality initiatives that will help us assess your operations: | Yes <input type="checkbox"/> | No <input type="checkbox"/> | |

Intellectual Property

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Do you sell or advertise any of Your products as being alike, compatible with, or a clone of another company's products? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If the answer is Yes to the previous question, do you have an agreement with the other company to produce and market such products? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do all employees (including directors), contractors and consultants sign Your standard confidentiality agreement? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do all employees (including directors), contractors and consultants assign standard intellectual property rights when engaged? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| When engaging employees (including directors), contractors and consultants, are they required to sign a statement to the effect that they will not distribute or utilise previous employer's trade secrets? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Do you have a formal policy or procedures in place regarding:

| | | |
|------------------------------------------------------------------|------------------------------|-----------------------------|
| (a) Hyperlinking, cross-linking, framing and referral agreements | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) Tracking and logging traffic | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Who can make such agreements

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Do you include disclaimers on your web pages including disclaimers as to the content of other, third-party hyperlinked home pages? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you have an appropriate legal and other screening processes of all materials and contents made available on the Internet and Web? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you examine agreements with all Internet and Web contractors, consultants and outsourcers to ensure that they are not authorised to modify or publish corporate materials which have not been screened? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you conduct full trademark searches on Your desired domain name(s)? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you register Your required domain names? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Do you have a formal policy or procedures in place regarding the prohibition of copyright or use of text, pictures or music unless:

| | | |
|--------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| (a) You own the copyright? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) The owner grants a valid license? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (c) Legal counsel can provide a reasonable assurance that the copying is "fair use" of the work? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (d) Legal counsel agrees that the work is in the public domain? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Do you have a formal policy or procedures in place regarding action steps necessary to address complaints of defamation, infringing or troublesome material on Your website(s) You designed or have responsibility for?

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Do you obtain clearance from outside counsel or "in house" counsel before any and all Your Products and Services are released? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Would you ever release a product or service for which you have received a qualified opinion that an intellectual property dispute exists? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

▶ If Yes, please provide details:

Contract / Agreements

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Do you undertake assignments / projects on Your standard contract terms? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ▶ If Yes, please provide a copy. | | |
| If You do not use Your standard contract terms, would You commence any assignment or a project where there is no written agreement or contract in force? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you deviate or amend the terms and conditions of your standard contract? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| What percentage of Your customer contracts does your legal adviser review? | | % |
| Do you ever negotiate contracts with Your customers in which You accept Liability for consequential damages? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

▶ If Yes, please explain in detail when and how often:

Software Licence Agreements

| | | |
|-------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| When providing software do you ensure customers are issued with and sign Your standard licence? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ▶ If Yes, please provide a copy. | | |
| Do you ever lease software without issuing a licence? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Details of Principals and Staff

| Names of Principals/Directors or Persons for whose acts cover is required | Qualifications | When Qualified | How long practising as Principal/Director |
|---------------------------------------------------------------------------|----------------|----------------|-------------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| Numbers of Staff | Employees | | Contractors | |
|-----------------------------------------------|-----------|-----------|-------------|-----------|
| | Full time | Part time | Full time | Part time |
| Employees with "Technical" or Science Degrees | | | | |
| Programmers | | | | |
| Engineers | | | | |
| Trainees | | | | |
| Sales | | | | |
| Administration | | | | |
| Other (please specify) | | | | |

Prior Insurance

Has any insurer in respect of the risks to which this proposal relates ever:

| | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---|-----------------------------|
| 1. declined a proposal, refused renewal or terminated an insurance? | Yes <input type="checkbox"/> | ▶ | No <input type="checkbox"/> |
| 2. required an increased premium or imposed special conditions? | Yes <input type="checkbox"/> | ▶ | No <input type="checkbox"/> |
| 3. declined an insurance claim by the Applicant or reduced its liability to pay an insurance claim in full (other than by application of an Excess)? | Yes <input type="checkbox"/> | ▶ | No <input type="checkbox"/> |

▶ If Yes to any of the above please give details

Past Claims

Has any claim been made against the Applicant or any principal or director (including principal or director of any previous business) consultant or employee in respect of the risks to which this proposal relates?

Yes ▶ No

Has the Applicant or any principal, partner, director, consultant or employee incurred any other loss or expense which might be within the terms of this insurance

Yes ▶ No

▶ If Yes in either case please give details

| Date of Claim or Loss | Brief details of claim or loss | Cost (if any of claim paid or loss insured) | Estimated outstanding loss |
|-----------------------|--------------------------------|---------------------------------------------|----------------------------|
| | | \$ | \$ |
| | | \$ | \$ |
| | | \$ | \$ |

What action has been taken to prevent a recurrence of the situation which gave rise to each claim or loss?

Potential Claims

Is any principal, directors, partner consultant or employee, after enquiry, aware of any circumstances which might:

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| 1. give rise to a claim against the Applicant or his/her predecessors in business or any present or former principals, partners, directors, consultants or employees? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. result in the Applicant or his/her predecessors in business or any present or former principals, partners, directors, consultants or employees incurring any losses or expenses which might be within the terms of this insurance cover (this includes but not limited to disciplinary hearings) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

▶ If Yes, give details including maximum potential cost

Declaration

On behalf of all proposed Insureds, I/We declare and agree that:

- the information and answers given in this proposal are in every respect true and correct and that Vero Liability has been made aware of all information that may be material in considering this proposal.
- this proposal and declaration shall be the basis of and incorporated in the insurance contract.
- I/We warrant that we will notify Vero Liability of any material alteration to these facts whether occurring before or after the completion of this insurance contract.
- Vero Liability is authorised to give to or obtain from any other insurers or any insurance broker or other party any information relating to this insurance or any other insurance held by me/us or any claim made by me/us.

I/We understand that:

- Vero Liability is collecting the information on this proposal for the purpose of conducting its business, evaluating our insurance requirements and deciding whether to issue insurance cover and if so on what terms.
- failure to provide any of this information may result in Vero Liability refusing to provide the insurance.
- this information will be held by Vero Liability at 23-29 Albert Street, Auckland.
- I/We have certain rights of access to and correction of this information.

Signed:

Title:

Date:

If this proposal form is being completed electronically, please print the completed form to sign.

Note: Completion of this proposal does not bind the Applicant or Vero Liability to enter into a contract of insurance.

Vero Liability Insurance Limited

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