



Policy Wording

Accountants Civil Liability

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In consideration of the payment of the **Premium** and subject to all the provisions of this policy, the **Insurer** agrees as follows.

Covers

All cover under this policy is afforded solely with respect to **Claims** first made against an **Insured** during the **Policy Period** and reported to the **Insurer** as required by this policy.

Civil Liability	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any civil liability of the Insured .
Misleading or Deceptive Conduct	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any Misleading or Deceptive Conduct of the Insured .
Intellectual Property	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any Infringement .
Defamation	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for libel or slander committed by an Insured .
Lost Documents	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for the destruction, damage to, loss, erasure or mislaying of Documents by an Insured .
Fraud/Dishonesty	The Insurer will pay on behalf of any Insured , who is not the actual perpetrator, all Damages resulting from any Claim for Fraud/Dishonesty of any: (i) Employee ; or (ii) any natural person who is or has been a principal, partner or director of the Policyholder or any Subsidiary .
Defence	The Insurer has the right to defend any Claim which this policy may respond to under its Covers or Extensions. The Insurer shall pay Defence Costs incurred in defending such Claim .

The **Insurer** is under no obligation to pay **Loss**, unless the **Wrongful Act**: (i) first takes place on or after the **Retroactive Date**; and (ii) is committed solely in the performance of or failure to perform **Professional Services**.

Standard Extensions

BusinessGuard Advisory Panel	<p>During the Policy Period the Policyholder is entitled to free advice, not involving a significant time commitment on the part of the member firm, from the <i>BusinessGuard Advisory Panel</i> which relates to matters which are relevant to the cover provided under this policy.</p> <p>The Insurer consents to the appointment of any member firm, in the absence of a conflict of interest, to act on behalf of the Insureds in respect of any Claim notified to the Insurer, provided the Insurer accepts the notification under the policy and subject always to the "Claims" Conditions.</p> <p>The Insureds may access the services of the <i>BusinessGuard Advisory Panel</i> by contacting the firms listed as such at www.AIG.com.au.</p>
Court Attendance	<p>For any person described in (i) and (ii) below who actually attends court as a witness in connection with a Claim notified under and covered by this policy, Defence Costs will include the following rates per day on which attendance in court has been required:</p> <p>(i) for any principal, partner, or director Insured \$500 (ii) for any Employee \$250</p> <p>No Retention shall apply to this Extension.</p>



Standard Extensions (Continued)

Extended Reporting Period	<p>If the Insurer cancels or does not renew this policy, other than for non payment of Premium or any other breach of the terms of this policy by an Insured, the Policyholder shall have the right to a period of 30 days following the date of cancellation or expiry in which to give notice of any covered Claim first made against the Insured. That extended reporting period shall not apply if this policy or its cover has been replaced.</p>
Joint Ventures	<p>The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any civil liability of the Insured in connection with any association or joint venture of which the Insured forms part; provided, however, that the Insurer shall only be liable for the proportion of any Damages that represents the Insured's liability in such association or joint venture. No cover is provided to any associate or joint venture partner of the Insured.</p>
Past Partner Liability	<p>To the extent that any principal, partner or director of the Policyholder has personal liability for professional services rendered prior to becoming a principal, partner or director of the Policyholder which are the same as those specified in this policy, "Professional Services" shall also mean the professional services of such principal, partner or director, provided that such person's previous business did not at any one time have more than four (4) partners or principals, or ten (10) qualified accounting staff.</p>
Previous Business Name	<p>"Insured" is extended to include any entity which previously traded as the Policyholder under a different business name.</p>
Property Cover for Lost Documents	<p>With respect to a Third Party's Documents:</p> <ul style="list-style-type: none">(i) for which an Insured is legally responsible, and(ii) that, during the Policy Period, have been destroyed, damaged, lost, distorted, erased or mislaid solely in the performance or non-performance of Professional Services. <p>Damages shall also include costs and expenses reasonably incurred by the Insured in replacing or restoring such Documents provided that:</p> <ul style="list-style-type: none">(a) such loss or damage is sustained while the Documents are either:<ul style="list-style-type: none">(1) in transit; or(2) in the custody of the Insured or of any person to whom the Insured has entrusted them;(b) where the lost or mislaid Documents have been the subject of a diligent search by or on behalf of the Insured;(c) the amount of any Claim for such costs and expenses shall be supported by evidence of expenditure that shall be subject to written approval by a competent person to be nominated by the Insurer with the consent of the Insured; and(d) the Insurer shall not be liable for any Claim arising out of wear, tear and/or gradual deterioration, moth and vermin, or other matters beyond the Insured's control. <p>A separate retention of \$1,000 instead of the Retention will apply to each Claim covered under this Extension.</p>
Quasi Judicial Costs	<p>"Defence Costs" is extended to include any reasonable fees, costs and expenses incurred by or on behalf of the Insured in the investigation, defence, settlement or appeal of any complaint against the Insured by any statutory or professional body which has jurisdiction to inquire or adjudicate in any such matter.</p>
Vicarious Liability	<p>The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any civil liability of an agent or consultant acting on the Policyholder's behalf and for whom an Insured is legally liable.</p>

Optional Extensions

Employment Practice Liability

The **Insurer** will pay on behalf of any **Insured** all **Damages** resulting from any liability from a **Claim** against:

- (i) the **Policyholder** or any **Subsidiary**; or
- (ii) any natural person, who is or has been a principal, partner or director of the **Policyholder** or any **Subsidiary**; or
- (iii) any **Employee**;

by an **Employee** or prospective **Employee** of the **Policyholder** or any **Subsidiary** based upon any civil liability in connection with the recruitment, employment of or the termination of such **Employee** or, decision not to employ the prospective **Employee**, including, but not limited to, any employment-related retaliation or harassment.

Fidelity

The **Insurer** shall pay the **Policyholder** or any **Subsidiary** for its **Direct Financial Loss** due to **Dishonest Acts** committed after the **Continuity Date** which are **Discovered** during the **Policy Period** and reported to the **Insurer** as required by this policy.

Definitions

“Bodily Injury”

means physical injury, sickness, disease or death; and if arising out of the foregoing, nervous shock, emotional distress, mental anguish or mental injury.

“Claim”

means any:

- (i) written demand; or
- (ii) civil or administrative proceedings; that seeks **Damages** as a result of **Wrongful Acts**.

“Continuity Date”

means the date specified as such in the Schedule.

“Damages”

means any amount that an **Insured** shall be legally liable to pay to a **Third Party** in respect of judgments rendered against an **Insured**, or for settlements which conform with the consent requirements set out in the “Claims Conditions”, subject to the limitations of the “**Loss**”.

“Defence Costs”

means reasonable fees, costs and expenses incurred by or on behalf of the **Insured** in the investigation, defence, adjustment, settlement or appeal of any **Claim**. “**Defence Costs**” shall not mean any internal or overhead expenses of any **Insured** or the costs of any **Insured’s** time.

“Direct Financial Loss”

means direct financial loss caused by the loss of **Money** or **Securities** owned by the **Policyholder** or any **Subsidiary**.

“**Direct Financial Loss**” does not include: (i) wages, salaries or other remuneration or benefits paid by the **Policyholder** or any **Subsidiary** to its **Employees**, partners, principals or directors; (ii) complete or partial non-payment or default under any credit arrangement; or (iii) any costs, fees or other expenses incurred by the **Insured** in prosecuting or defending any demand, claim or legal proceeding resulting from a **Direct Financial Loss** which is covered under this policy.

“Discovered” or “Discovers” or Discovery”

means when any of the **Policyholder’s**, or a **Subsidiary’s** partners, principals, directors, officers, departmental seniors, senior managers or equivalent (who are not in collusion with an **Employee** who has or is attempting to commit a **Dishonest Act**) first becomes aware of any facts which would cause a reasonable person to assume that a **Direct Financial Loss** which may be covered under this policy has been or is likely to be incurred, even though the exact amount or details of the **Direct Financial Loss** are not known at the time the person first became aware of such facts. The first **Discovery** constitutes **Discovery** by each and every **Insured**.

Definitions (Continued)

“Dishonest Acts”	means any fraudulent or dishonest acts committed by an Employee (acting alone or in collusion with others) with the principal intent to cause the Policyholder or any Subsidiary to sustain a Direct Financial Loss and results in the Employee making an improper financial gain for themselves or for any other individual or entity intended by the Employee to receive such gain.
“Documents”	means all documents of any nature whatsoever including computer record and electronic or digitised data; but does not include any currency, negotiable instruments or records thereof.
“Employee”	means any natural person who is or has been expressly engaged as an employee under a contract of employment with the Policyholder or any Subsidiary . “Employee” shall not mean any: (i) principal, partner or director; or (ii) temporary contract labour, self-employed person or labour-only sub-contractor.
“Fraud/Dishonesty”	means fraudulent or dishonest conduct: (i) not condoned, expressly or implicitly, by; and (ii) that results in liability to; the Policyholder or any Subsidiary .
“Infringement”	means an infringement of any intellectual property right of any Third Party , other than patents and Trade Secrets .
“Insured”	means: (i) the Policyholder or any Subsidiary ; (ii) any natural person, who is or has been a principal, partner or director of the Policyholder or any Subsidiary ; (iii) any Employee ; and (iv) any temporary contract labour, self-employed persons, labour-only subcontractors, solely under contract with, and under the direction and direct supervision of the Policyholder or any Subsidiary ; but only when providing Professional Services in the foregoing capacities. “Insured” also includes any estate or legal representatives of any Insured described in (ii) and (iii) of this definition with respect to the Insured’s provision of Professional Services in any such capacity.
“Insurer”	means the entity specified as such in the Schedule.
“Limit of Liability”	means the amount specified as such in the Schedule.
“Loss”	means Damages and Defence Costs . “Loss” shall not mean and this policy shall not cover any: (i) taxes payable by the Insured ; (ii) non-compensatory damages, including punitive, multiple, exemplary or liquidated damages; (iii) restitutionary relief; (iv) fines or penalties; (v) the costs and expenses of complying with any order for, grant of or agreement to provide injunctive or other non-monetary relief; (vi) employment related compensation or benefits, overhead, charges or expenses of any Insured ; or (vii) any matters which may be deemed uninsurable under the law governing this policy or the jurisdiction in which a Claim is brought.

Definitions (Continued)

“Misleading or Deceptive Conduct”	means any actual or alleged misleading or deceptive conduct at law or under the <i>Corporations Act 2001</i> (Cth), <i>Australian Securities and Investments Commission Act 2001</i> (Cth), <i>Trade Practices Act 1974</i> (Cth) or any similar provisions in the States’ Fair Trading Acts.
“Money”	means local or foreign currency, coins, bank notes, cheques, travellers cheques, registered cheques, postal orders, money orders and bullion.
“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.
“Policyholder”	means the entity or natural person specified as such in the Schedule.
“Pollutants”	means, but is not limited to, any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including asbestos, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids, alkalis, nuclear or radioactive material of any sort, chemicals or waste. “Waste” includes, but is not limited to, material to be recycled, reconditioned or reclaimed.
“Premium”	means the amount specified as such in the Schedule and any premium adjustment reflected in an endorsement to this policy.
“Professional Services”	means the professional services of the Policyholder and any Subsidiary in the following areas of practice: <ul style="list-style-type: none"> (i) accounting & bookkeeping; (ii) audit; (iii) business valuations; (iv) company secretarial work; (v) executorships and trusteeships; (vi) forensic accounting; (vii) insolvency/liquidation/receivership; (viii) management consultancy; (ix) superannuation fund administration; (x) taxation; (xi) migration services; (xii) IT consultancy (accounting software only); and (xiii) other, as advised to, and agreed in writing by, the Insurer.
“Property Damage”	means damage to or loss of or destruction of tangible property or loss of use thereof.
“Retention”	means the amount specified as such in the Schedule.
“Retroactive Date”	means the date specified as such in the Schedule.
“Sanctioned Country”	means Cuba, Burma (Myanmar), Sudan, Iran, Iraq, Syria and North Korea.
“Securities”	means any negotiable or non-negotiable instruments or contracts representing Money or other property including but not limited to shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.
“Subsidiary”	means companies in which the Policyholder either directly, or indirectly through one or more of its Subsidiaries ; <ul style="list-style-type: none"> (i) controls the composition of the board of directors; (ii) controls more than half of the voting power; or (iii) holds more than half of the issued share capital. <p>For any Subsidiary or any Insured thereof, cover under this policy shall only apply to Wrongful Acts committed while such company is a Subsidiary of the Policyholder.</p>



Definitions (Continued)

“Third Party”	means any entity or natural person; provided, however, Third Party does not mean: (i) any Insured ; (ii) any other entity or natural person having a financial interest or executive role in the operation of the Policyholder or any Subsidiary . However, for the purposes of the “Employment Practice Liability” Optional Extension only, Third Party means “an Employee or prospective Employee of the Policyholder or any Subsidiary .”
“Trade Secret”	means information that derives independent economic value, actual or potential, from not being generally known and not being readily ascertainable through proper means by other persons who can obtain economic advantage from its disclosure or use.
“Wrongful Act”	means (a) any breach of duty, act, error, misstatement, breach of confidentiality or omission; (b) any Misleading or Deceptive Conduct of the Insured ; (c) any Infringement ; (d) libel or slander committed by an Insured ; (e) any destruction, damage to, loss, erasure or mislaying of Documents by an Insured ; or (f) Fraud/Dishonesty

Exclusions

This policy shall not cover **Loss** in connection with any **Claim**:

Anti-Competitive Conduct	arising out of, based upon or attributable to any actual or alleged restrictive trade practices, restraint of trade or unfair competition.
Audit of PLCs and Financial Institutions	arising out of, based upon or attributable to the audit of a publicly listed company, or financial institution.
Bodily Injury/Property Damage	arising out of, based upon or attributable to Bodily Injury or Property Damage unless arising from: (i) an actual or alleged failure to achieve the legally required standard of care, diligence and expertise in performing Professional Services ; or (ii) an allegation of emotional distress under the “Employment Practice Liability” Optional Extension or the “Defamation” Cover.
Contractual Liability/Performance Guarantees	arising out of, based upon or attributable to any: (i) liability assumed or accepted by an Insured under any contract or agreement, other than with an Employee in the case of the “Employment Practice liability” Optional Extension, or except to the extent such liability would have attached to the Insured in the absence of such contract or agreement; or (ii) guarantee or warranty.
Costs Assessment	arising out of, based upon or attributable to any failure by any Insured or other party acting for the Insured to make an accurate pre-assessment of the cost of performing Professional Services .
Infrastructure	arising out of, based upon or attributable to: (i) mechanical failure; (ii) electrical failure, including any electrical power interruption, surge, brown out or black out; or (iii) telecommunications or satellite systems failure.
Insolvency	arising out of, based upon or attributable to the insolvency, administration or receivership of the Insured .
Intentional Acts	arising out of, based upon or attributable to any intentional act by an Insured .



Exclusions (Continued)

Investment Advice	arising out of, based upon or attributable to the provision of investment advice.
Misdeeds	arising out of, based upon or attributable to any act which a court, official tribunal or arbitrator finds, or which an Insured admits, to be a criminal, dishonest or fraudulent act; and in such event, the Insurer shall be reimbursed for all Loss paid in connection with such Claim ; provided, however, that this exclusion shall not apply: i) the “Fraud/Dishonesty” Cover; or ii) the “Fidelity” Optional Extension; or iii) to a breach of the Australian Auditing and Assurance Standards enforceable under the <i>Corporations Act 2001 (Cth)</i> except in the case of dishonesty or fraud.
Patent/Trade Secret	arising out of, based upon or attributable to the breach of licenses concerning, infringement of or misappropriation of patents or Trade Secrets .
Pollution	arising out of, based upon or attributable to: (i) the actual, alleged or threatened presence, discharge, dispersal, release, migration or escape of Pollutants ; or (ii) any direction, request or effort to: (a) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants ; or (b) respond to or assess the effects of Pollutants .
Prior Claims/ Circumstances	(i) made prior to or pending at the inception of this policy; or (ii) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any Insured to give rise to a Claim .
Trade Debts	arising out of, based upon or attributable to any: (i) trading debt incurred by an Insured ; or (ii) guarantee given by an Insured for a debt.
USA/Canada	made or pending within; or to enforce a judgment obtained in, the United States of America, Canada or any of their territories or possessions.
US Sanctions	arising in, out of, based upon, attributable to or otherwise in connection with any Sanctioned Country .
War/Terrorism	arising out of, based upon or attributable to any war (declared or otherwise), terrorism, warlike, military, terrorist or guerrilla activity, sabotage, force of arms, hostilities (declared or undeclared), rebellion, revolution, civil disorder, insurrection, usurped power, confiscation, nationalisation or destruction of or damage to property by or under the order of, any governmental, public or local authority or any other political or terrorist organisation.
For the “Fidelity” Optional Extension only, this policy shall not cover:	
Confidential Information	Direct Financial Loss arising out of, based upon, attributable to or in any way connected with the accessing and dissemination of, any confidential information including, but not limited to, trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods.
Consequential Loss	any indirect or consequential loss of any nature, including but not limited to any loss of income such as interest and dividends not realised by the Policyholder or any Subsidiary or any other person or organisation, resulting from a Direct Financial Loss which is covered under this policy.



Exclusions (Continued)

Director/Principal/Partner Dishonesty	Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any fraudulent or dishonest activities involving collusion or complicity of a partner, principal or director of the Policyholder or any Subsidiary .
Dual Controls	Direct Financial Loss or make any payment in connection with any Dishonest Acts arising out of, based upon or attributable to the Insured's failing to ensure that at least one principal, partner or director and one authorised signatory sign any cheques or funds transfer instructions.
Extortion or Kidnap & Ransom	Direct Financial Loss arising out of, based upon, attributable to or in any way with connected with any extortion or kidnap and ransom.
Geographical Limits	Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any Dishonest Acts outside of Australia or New Zealand.
Loss Establishment Costs	fees, costs or other expenses incurred by the Insured in establishing the existence or amount of any Direct Financial Loss covered under this policy.
Loss Sustained After Knowledge	Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any Employee from the time the Policyholder's , or a Subsidiary's partners, principals, directors, officers, departmental seniors, senior managers or equivalent (who are not in collusion with such Employee for the purpose of committing a Dishonest Act) had actual knowledge that the Employee had committed or was suspected of having committed a Dishonest Act .
Profit & Loss or Inventory Computation	Direct Financial Loss the proof of which is dependent solely upon: (i) a profit and loss computation; or (ii) a comparison of inventory records with an actual physical count. If, however, an Employee is identified as having caused or is suspected of having caused a Direct Financial Loss , then inventory records and actual physical count of inventory can be submitted as partial evidence in support of proof of the Direct Financial Loss as required by the "Notification" Claims Condition.

Claims

Notification of Claims	The Insured shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer of any Claim first made against the Insured or Direct Financial Loss as soon as practicable and during the Policy Period . All notifications must be in writing or by facsimile, and addressed as required in the "Claims Notice" Item on the Schedule. If the Insured notifies a Direct Financial Loss to the Insurer , the Insured must also, as soon as practicable, provide the Insurer with: (a) affirmative proof of the Direct Financial Loss ; and (b) all requested information and documents and co-operation in all matters pertaining to the Direct Financial Loss .
Related Claims	If notice of a Claim against an Insured is given to the Insurer pursuant to the terms and conditions of this policy, then: (i) any subsequent Claim alleging, arising out of, based upon or attributable to the facts alleged in that previously notified Claim ; and

Claims (Continued)

<p>(ii) any subsequent Claim alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged in that previously notified Claim, shall be considered made against the Insured and reported to the Insurer at the time notice was first given.</p>	
<p>Any Claim or Claims arising out of, based upon or attributable to:</p> <p>(i) the same cause; or</p> <p>(ii) a single Wrongful Act; or</p> <p>(iii) a series of continuous, repeated or related Wrongful Acts;</p>	
<p>Related Dishonest Acts</p>	<p>Any Direct Financial Loss resulting from a series of continuous, repeated or related Dishonest Acts shall be considered a single Direct Financial Loss.</p>
<p>Continuity</p>	<p>In the absence of fraudulent non-disclosure, where a Claim that would otherwise be covered by this policy is excluded by the "Prior Claims/Circumstances" Exclusion part (ii), then cover is provided under this policy for that Claim, provided always that:</p> <p>(i) the Insured first became aware of the facts that might give rise to the Claim after the Continuity Date; and</p> <p>(ii) the cover shall be in accordance with the provisions of the policy in force when the Insured first became so aware.</p>
<p>Defence/Settlement</p>	<p>The Insurer does not assume any duty to defend, and the Insured shall defend and contest any Claim made against them unless the Insurer, in its sole and absolute discretion, elects in writing to take over and conduct the defence and settlement of any Claim. If the Insurer does not so elect, it shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the Insurer. The Insurer has the right at any time after notification of a Claim to make a payment to the Insured of the unpaid balance of the Limit of Liability, and upon making such payment, all obligations of the Insurer to the Insured under this policy, including, if any, those relating to defence, shall cease.</p>
<p>Insurer's Consent</p>	<p>As a condition precedent to cover under this policy, no Insured shall admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any Defence Costs without the prior written consent of the Insurer. Only those settlements, judgments and Defence Costs consented to by the Insurer, and judgments resulting from Claims defended in accordance with this policy, shall be recoverable as Loss under this policy. The Insurer's consent shall not be unreasonably withheld, provided that the Insurer shall be entitled to exercise all of its rights under the policy.</p>
<p>Loss Mitigation</p>	<p>As soon as the Insured Discovers a Direct Financial Loss involving an identified Employee, the Insured must immediately take all necessary steps to prevent any additional Direct Financial Loss being caused by the same identified Employee. Any further Direct Financial Loss caused by the same Employee after the date of Discovery will not be covered by this policy.</p>
<p>Insured's Consent</p>	<p>The Insurer may make any settlement of any Claim it deems expedient with respect to any Insured, subject to such Insured's written consent. If any Insured withholds consent to such settlement, the Insurer's liability for all Loss on account of such Claim shall not exceed the amount for which the Insurer could have settled such Claim, plus Defence Costs incurred as of the date such settlement was proposed in writing by the Insurer, less coinsurance (if any) and the applicable Retention.</p>

Claims (Continued)

Cooperation

The Insured will at their own cost:

- (i) render all reasonable assistance to the Insurer and co-operate in the defence of any Claim and the assertion of indemnification and contribution rights;
- (ii) use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any Loss under this policy;
- (iii) give such information and assistance to the Insurer as the Insurer may reasonably require to enable it to investigate any Loss or determine the Insurer's liability under this policy.

Fraudulent Claims

If any Insured shall give notice or claim cover for any Loss under this policy knowing such notice or claim to be false or fraudulent as regards amounts or otherwise, such Loss shall be excluded from cover under the policy, and the Insurer shall have the rights to cancel the policy, as allowed by the *Insurance Contracts Act 1984* (Cth).

Fraud/Dishonesty of Principals, Partners and Directors

In the case of any Claim for Fraud/Dishonesty of any principal, partner or director of the Policyholder or any Subsidiary, the "Fraud/Dishonesty" Cover only applies in circumstances where:

- (i) at least one principal, partner or director and one authorised signatory signed any cheques or funds transfer instructions; and
- (ii) the Policyholder's bank accounts were not reconciled by any person who had the authority to operate those bank accounts.

Allocation

Where any **Loss** is incurred in respect of any **Claim** which arises from both covered matters and matters not covered by this policy, the **Insurer's** liability under this policy is limited to the proportion of the **Loss** which represents a fair and equitable allocation between each **Insured** and the **Insurer**, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this policy.

Where the **Insurer's** liability under this policy is limited under this clause, the **Insured** and the **Insurer** must use their best endeavours to agree upon the allocation to be adopted by them as the fair and equitable allocation.

Allocation Disputes

If the parties are unable to agree, then the fair and equitable allocation is to be determined by a Senior Lawyer (to be mutually agreed upon by the **Policyholder** and the **Insurer**, or in the absence of agreement, to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the **Loss** was incurred).

The Senior Lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. The **Policyholder** (or its designee) and the **Insurer** may make submissions to the Senior Lawyer. The Senior Lawyer is to take account of the parties' submissions, but the Senior Lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgement and opinion. The Senior Lawyer's determination shall be final and binding.

The costs of the Senior Lawyer's determination are to be borne by the **Insurer**.

For so long as the proportion of **Defence Costs** to be paid under the policy remains unagreed and undetermined, the **Insurer** shall pay the proportion of the **Defence Costs** which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any **Defence Costs** incurred prior to agreement or determination.



Purchase and administration

Policy Purchase	In granting cover to the Insured , the Insurer has relied upon the material statements and particulars in the proposal together with its attachments and other information supplied. If the Insurer becomes entitled to avoid this policy from inception or from the time of any variation in cover, the Insurer may at its discretion maintain this policy in full force but exclude the consequences of and any Claim relating to any matter which ought to have been disclosed before inception or any variation in cover.
Administration	<p>The Policyholder has acted and shall act on behalf of each and every Insured with respect to:</p> <ul style="list-style-type: none">(i) negotiating terms and conditions of, binding and amending cover;(ii) exercising rights of Insureds;(iii) notices;(iv) Premiums;(v) endorsements;(vi) dispute resolution;(vii) claims management and consent to defence/settlement; and(viii) payments to any Insured.

Limit and Retention

Limit of Liability	The total amount payable by the Insurer for a single Claim (as specified in the “Related Claims” Condition), including Defence Costs , shall not exceed the Limit of Liability (Any one Claim) . The total amount payable by the Insurer under this policy for all Claims or Losses shall not exceed the Limit of Liability (Aggregate) . Sublimits of Liability and Extensions are part of that amount and are not payable in addition to the Limit of Liability (Aggregate) . The Limit of Liability (Any one Claim) and the Limit of Liability (Aggregate) for the period provided in the “Extended Reporting Period” Extension are part of, and not in addition to, the Limit of Liability (Any one Claim) and the Limit of Liability (Aggregate) for the Policy Period . The inclusion of more than one Insured under this policy does not operate to increase the total amount payable by the Insurer under this policy.
Retention	The Insurer shall only pay for the amount of any Loss or Direct Financial Loss which is in excess of the Retention . For the avoidance of doubt, the Retention also applies to Defence Costs . The Retention is to be borne by the Insured and shall remain uninsured. A single Retention shall apply to Loss arising from all Claims alleging the same Wrongful Act or Direct Financial Loss arising from the same Dishonest Acts .



General Provisions

Assignment	This policy and any rights under or in respect of it cannot be assigned without the prior written consent of the Insurer .
Cancellation	This policy may be cancelled by the Policyholder at any time only by written prior notice of at least 14 days to the Insurer . In such case, if no Claim has been made and no circumstance has been notified prior to such cancellation; the Insurer shall retain the pro-rata proportion of the Premium . Otherwise, Premium shall not be returnable and shall be deemed fully earned at cancellation.
By Policyholder: By Insurer:	This policy may be cancelled by the Insurer only as prescribed by the <i>Insurance Contracts Act 1984</i> (Cth). In such case, the Insurer shall be entitled to a pro-rata proportion of the Premium . Payment or tender of any unearned Premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
Insolvency	Insolvency, receivership, bankruptcy of any Insured shall not relieve the Insurer of any of its obligations hereunder.
Plurals, Headings and Titles	The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in bold typeface have special meaning and are defined. Words that are not specifically defined in this policy have the meaning normally attributed to them.
Scope and Governing Law	Where legally permissible and subject to the “U.S.A./Canada” and “US Sanctions” Exclusions, this policy shall apply to any Claim made against any Insured anywhere in the world. Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of Australia and in accordance with the English text as it appears in this policy.
Subrogation	If any payment is to be made under this policy in respect of a Claim , the Insurer shall be subrogated to all rights of recovery of the Insured whether or not payment has in fact been made and whether or not the Insured has been fully compensated for its actual loss. The Insurer shall be entitled to pursue and enforce such rights in the name of the Insured , who shall provide the Insurer with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. The Insured shall do nothing to prejudice these rights. Any amount recovered in excess of the Insurer’s total payment shall be restored to the Insured less the cost to the Insurer of such recovery. The Insurer agrees not to exercise any such rights of recovery against any Employee unless the Claim is brought about or contributed to by serious or willful misconduct of the Employee in the course of or arising out of the employment. In its sole discretion, the Insurer may, in writing, waive any of its rights set forth in this Subrogation Clause.
Validity	This policy is not binding upon the Insurer unless it is countersigned on the Schedule by an authorised representative of the Insurer or its general agent.

<End>

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