

STOCKBROKING ADDENDUM

Important Notice

Your Professional Indemnity Insurance Policy is issued on a CLAIMS MADE basis.

This means that this policy responds to:

- (1) Claims first made against you during the policy period and notified to the Insurer during that policy period, providing that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a Claim may be made against you; and
- (2) Pursuant to Section 40, sub-section 3 of the INSURANCE CONTRACTS ACT 1984 which states:

“Where the Insured gave notice in writing to the Insurer of facts that might give rise to a Claim against the Insured as soon as was reasonably practicable after the Insured became aware of those facts but before the insurance cover provided by the contract expired, the Insurer is not relieved of liability under the contract in respect of the Claim, when made, by reason only that it was made after the expiration of the period of insurance cover provided by the contract.”

When the policy expires, no new notification generally can be made on the expired policy even though the event giving rise to a Claim against you may have occurred during the policy period.

You will not be entitled to indemnity under your new policy in respect of any Claim arising out of circumstances of which you were aware at any time prior to policy inception which would have put a reasonable person in your position on notice that a Claim may be made against you.

When completing your proposal you are obliged to report and provide full details of all circumstances which have become known to you and which would put a reasonable person in your position on notice that a Claim may be made against you.

This is important to ensure that you make proper disclosure (refer to notice pursuant to the INSURANCE CONTRACTS ACT 1984) in order that your entitlement to full indemnity under your new policy is not placed in jeopardy.

In accordance with the provisions of the INSURANCE CONTRACTS ACT 1984, DUAL Australia Pty Ltd is required to advise you of your responsibilities in relation to the disclosure of relevant information.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the INSURANCE CONTRACTS ACT 1984 to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- That diminishes the risk to be undertaken by the Insurer;
- That is of common knowledge;
- That your Insurer knows or, in the ordinary course of his business, ought to know;
- As to which compliance with your duty is waived by their Insurer.

(It should be noted that this duty continues after the proposal form has been completed up until the time the policy is **entered into**).

Non - Disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce their liability under the contract in respect of a Claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning. It is therefore vital that you make sufficient enquiries BEFORE you complete your proposal form and BEFORE you sign any declaration that there has been no change in the information proposed.

Please take notice of the following statements pursuant to the provisions of the INSURANCE CONTRACT ACT 1984.

Surrender or Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all or any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the inception of the policy that you would not seek to recover any loss or damage from that person, you are NOT covered under the policy for any such loss or damage.

Notice of Occurrences or Events

If during the period of this policy, the Insured shall become aware of any occurrence which may give rise to a Claim under the policy and shall during the period of this insurance given written notice to the Insurer of such occurrence, any Claim which may be subsequently made arising out of the occurrence of which notification has been given shall be deemed to be a Claim made during the period of this policy whenever such Claim may actually be made.

Contract by the Insured Affecting Rights of Subrogation

If the proposed contract of insurance includes a provision which excludes or limits the Insurer's liability in respect of any loss because you are a party to an agreement which excludes or limits your rights to recover damages from a third party in respect of that loss, you are hereby notified that signing any such agreement may place your indemnity under the proposed contract of insurance at risk.

When completing this Proposal Form.

Please answer all questions giving full and complete answers

- (a) It is the duty of the Applicant to provide all information that is requested in the proposal form as well as to add additional relevant facts.
- (b) A relevant fact is such known fact and/or circumstance that may influence in the evaluation of the risk by the insurer. If you have any doubts about what a relevant fact is, please do not hesitate to contact your broker or insurer.
- (c) If the space provided on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question
- (d) The proposal form must be completed, signed and dated by a person, who must be of legal capacity and authorised for the purpose of requesting Professional Indemnity Insurance for the firm who acts as an Applicant.
- (e) This proposal form does NOT BIND the Applicant to complete the insurance but will form part of any insurance.

Privacy Statement

DUAL Australia Pty Ltd is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We will use the information you provide in this Proposal Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us.

You are entitled to access your personal information and request any correction if required.

DUAL Australia recommends that you keep a record of all information supplied for the purpose of entering into an insurance contract (including copies of this Proposal Form and correspondence).

SECTION 1:

1. Name of Applicant: _____
2. Date of incorporation of Applicant: _____
3. Does the Applicant hold a current AFSL? Yes No
4. Please provide the Applicants' AFSL number _____
5. Is the Applicant a registered Australian Securities Exchange participant? Yes No
6. Please provide a staff breakdown:

	Australia	Overseas
Directors / Principals		
Corporate Advisors		
Private Client Advisors		
Futures and Options Advisors		
Research Analysts		
Administrative Staff		
IT Staff		
Dealers		
Others (please specify)		

7. Please provide an approximate breakdown of your total gross revenue including fees and commissions by percentages:

	Corporate & Institutions	Retail Clients
Discount brokerage (without advice)		
Securities dealing (with advice)		
Securities dealing (discretionary)		
Options trading		
Futures trading		
CFD trading		
Underwriting of securities		
Sub-underwriting		
Underwriting of securities other than shares		
Structured financial product advice		
Cash management		
Margin lending		
Non securities investment advice		
Economic advice		
Barter, counter – trade or swap operations		
Hybrids trading		
Foreign exchange		
Interest rate swaps / forward rate agreements		
Life insurance agency		
Advice to Non Financial Institutions Re:		
Valuations of business		
Valuations of share price		
Capital restructuring		
Mergers & acquisitions		
Share issue & placement		
Advice to Financial Institutions Re:		
Valuations of financial institution's portfolio		
Financial institutions share price		
Capital restructuring		

Mergers & acquisitions		
Share issue & placement		
House trading		
Staff advisors account		
Other (Please specify)		
TOTAL		

8. Please provide your total gross revenue for:
- (a) Last Financial Year: _____
- (b) Full annual estimate for current year: _____
9. Please provide estimates of your total In-house Trading Revenue for:
- (a) Last Financial Year: _____
- (b) Full annual estimate for current year: _____
10. Please provide estimates of your total Interest (from investments) for:
- (a) Last Financial Year: _____
- (b) Full annual estimate for current year: _____
11. Please provide your average trade size: \$ _____
12. Please provide your largest trade size: \$ _____
13. (a) Does the Applicant trade on any overseas exchanges? Yes No
- (b) If yes, do they use an intermediary in these countries? Yes No
- (c) If yes, are there any contractual indemnities taken or provided? Yes No
14. Please advise how client Advisors are remunerated
- (i) By commission only Yes No
- (ii) By salary only Yes No
- (iii) A combination of the above Yes No
15. Does the Applicant record telephone instructions/advice? Yes No
16. Does the Applicant ensure all orders are confirmed in writing? Yes No
17. Does the Applicant permit trading on unauthorized funds? Yes No
18. Does the Applicant monitor/segregate inactive client accounts? Yes No
19. Does the Applicant ensure all client funds are segregated into separate trust accounts? Yes No
20. Are directors and employees prohibited from processing transactions on their own accounts? Yes No

21. Are trading limits imposed on employee accounts? Yes No

22. Are trading limits imposed on Client accounts? Yes No

If the applicant has answered yes to Q21 or Q22 above, please detail trading limits with respect to these activities:

23. Are the accounts of Directors and Employees reviewed regularly for unusual or unauthorised activity? If yes by whom?

24. Does the applicant act in the capacity of a market maker for any products? Yes No

25. Does the Applicant act in the capacity of a Prime Broker? Yes No

26. If the applicant provides CFD trading or access to a CFD trading platform, are any of the following services provided to customers:

a. Stop loss Yes No N/A

b. Guaranteed stop loss Yes No N/A

27. Where the applicant is acting in the capacity as a corporate advisor; are there adequate procedures in place to ring-fence sensitive information and to ensure no conflicts of interest with other areas **of the organization? If yes, please provide full details.**

28. Does the Applicant have a securities lending service for clients Yes No
If Yes, are these securities loaned off the applicants' own balance sheet or through a third party

(a) Type of securities loaned _____

(b) Exchange securities are traded on _____

(c) Maximum value of securities loaned _____

(d) Average value of position loaned _____

- (e) Maximum allowable leverage on loaned positions _____
- (f) Average leverage on loaned positions _____

29. Are internal guidelines in place with respect to procedures to ensure compliance with applicable regulatory rules? Yes No
- Are procedures in place to ensure compliance with the above? Yes No

30. Please comment as to whether the Applicant issues a pre-issuance / prospectus research report and if so how does it ensure that these documents are not viewed by a prospective user in forming their investment decision. Please comment on:

- (a) The standard black out period: _____
- (b) The risk disclosures presented: _____
- (c) To whom the research reports are sent: _____
- (d) Are these research reports sent to US investors?: _____
- (e) Procedures in place to ensure the accuracy and completeness of same: _____

31. Are there any material regulatory, internal or external recommendations outstanding or not implemented at present? Yes No

If Yes please provide full detail.

32. In the past five years has any client and/or other third party made a written complaint to the applicant or to any regulatory body or commenced any civil proceeding in connection with any transaction? Yes No

If Yes please provide full details.

Has the applicant, any of its subsidiaries or any director, officer, partner or trustee:

- (a) Been charged in any civil or criminal action or administrative or regulatory proceeding with a violation of any securities law or regulation? Yes No
- (b) Been charged in connection with any action or administrative or regulatory proceeding regarding allegations of market abuse? Yes No

If the answer is yes to any of the foregoing, please provide full details separately.

33. Has there been or is there now pending any claims against any person or entity proposed for cover alleging, arising out of, or in connection with any securities transaction? Yes No

If Yes, please provide full details.

34. Does any person or entity proposed for cover, have knowledge of any act, error or omission, which may give, rise to a claim under the proposed policy? Yes No

If Yes, please provide full details.

It is agreed that if the answer with respect to Questions 22-26 above, if such demand or claim exist or if such knowledge information or involvement exists, any claim or action arising there from is excluded from the proposed coverage.

Please attach:

- (a) A copy of the Applicants Australian Financial Services Licence (AFSL)
- (b) A copy of the Applicants most recent monthly report to the ASX
- (c) A copy of the Applicants conflicts of interest policy
- (d) A copy of the Applicants compliance plan
- (e) A copy of the Applicants human resources manual
- (f) A copy of any research reports issued by Applicant

SECTION 2: DECLARATION

SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE

We declare that the statement and particulars in this proposal form are true and that no material facts have been misstated or suppressed after enquiry. We agree that should any of the information given by us alter between the date of this proposal and the inception date of the insurance to which this proposal relates, we will give immediate notice thereof. We agree that the Underwriters may use and disclose our personal information in accordance with the "Privacy Statement" at the beginning of this Proposal. We agree that this proposal, together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

Signed: _____

Name: _____

Title: _____

Applicant (Org.): _____

Date: _____