

APNIC EC Meeting Minutes

Face-to-Face Meeting, Burlington Hotel, Dublin

Saturday, 11 May 2013 and Sunday, 12 May, 2013

Meeting Start: 9:05am (UTC +8:00), Saturday, 11 May 2013

Present

Akinori Maemura
Che-Hoo Cheng
Kenny Huang
James Spenceley
Gaurab Raj Upadhaya
Ma Yan
Wendy Zhao
Paul Wilson

Geoff Huston (by telephone)
Craig Ng
Richard Brown
Connie Chan (minutes)

Agenda

1. Appointment of Meeting Chair
2. Agenda Bashing
3. Matters arising from Last Meeting
4. Financial Report
5. DG Report
6. Xi'an and APNIC's 20th Anniversary
7. APNIC Meeting Fees
8. APNIC Member Survey
9. Travel Insurance and Support
10. Risk Registry
11. Board Member Roles and Responsibilities Briefing
12. 2014 Budget Preparation
13. Investment Policy
14. Preparation for Joint Board Meeting
15. AOB

Minutes

The EC Chair called the meeting to order at 10:00, Saturday 11 May 2013. The meeting adjourned at 16:00, resumed at 9:05, Sunday 12 May 2013 and closed at 12:40.

1. Appointment of Meeting Chair

The EC Chair informed the meeting that the APNIC EC had appointed James Spenceley as Chair of the Meeting, in accordance with the EC decision of the previous EC meeting. James Spenceley assumed the role of Meeting Chair.

2. Agenda Bashing

There were no changes to the agenda.

3. Matters arising from Last Meeting

The following vote was conducted electronically prior to this meeting, and is recorded in these minutes according to the EC's electronic voting procedures.

On 20 March 2013, the EC passed a motion to accept the minutes of the EC meetings held on 25 February and 1 March 2013.

Motion proposed by Akinori Maemura and Kenny Huang
Paul Wilson abstained from voting.

The EC unanimously resolved to adopt the letter from APNIC to JPNIC to declare formally JPNIC's recognition as an NIR (attached).

Motion to adopt the letter proposed by Kenny Huang, seconded by Paul Wilson.
Akinori Maemura abstained from voting on this issue.

4. Financial Report

The EC reviewed the financial report for April 2013 (attached). Expenditure to date is reported to be \$4.6M and revenue is reported to be \$5.9M. Current year-to-date revenue is reported to be \$1.3M over expenses. This is attributed to a timing issue, where actual expenses in the year to date are less than the pro rata distribution of annual expense projections used in the financial reporting system. IP Resource Application fees are tracking above budget projections. It is expected that by the end of the year the membership fees will be closer to budget forecast.

At the end of April 2013, APNIC has a total of 3,682 members. There were 59 new members and 43 members who had closed their accounts during the month.

The rate of new member growth has slowed during 2013. It is unclear at this stage if this is a seasonal or longer-term change in membership sign-up.

For the year to date, as at the end of April 2013, membership from India included 53 account closures, of which 48 are due to transfers from APNIC membership to IRINN. Others were closed due to non-payment and discontinued APNIC membership.

The EC noted the April financial report as representing the financial position of APNIC as of the end of the April 2013, and the EC was satisfied that the company is solvent and able to meet all current debts.

5. DG Report

The Director General presented a written report to the EC on current matters (attached).

6. Xi'an and APNIC's 20th anniversary

The EC was briefed on the preparation for APNIC 36 and the APNIC 20th anniversary plan in Xi'an.

7. APNIC Meeting Fees

The DG presented a proposal to waive meeting registration fees for APNIC standalone meetings, for APNIC members only and with a limit of 4 registrations per member. The EC discussed the proposal and expressed no objections.

8. APNIC Member and Stakeholder Survey

The EC considered the APNIC Member and Stakeholder survey timeline, activities and process. EC members expressed their interest to be involved in the survey process.

The EC determined to hold a workshop on the Membership and Stakeholder Survey as part of the next EC meeting in Xi'an.

9. Travel Insurance and Support

The EC was briefed on the travel insurance and international emergency assistance that are available to them when travelling on APNIC business (attached).

10. Risk Registry

The EC was briefed on the best practices in risk management (attached). The Secretariat will draft a Risk Register for the EC to consider at its next meeting.

11. Board Member Roles and Responsibilities Briefing

The EC was briefed on the directors' duties and responsibilities on aspects of Australian Company Law as they relate to the governance of not-for-profit membership associations (attached).

12. 2014 Budget Preparation

The EC considered the growth outlook, revenue and expenses forecasts for 2014.

The 2014 budget preparation process will commence shortly after the EC guidance on budget papers. The first budget draft will be made available for the EC meeting in Xi'an.

13. Investment Policy

The EC was briefed on the Investment Policy proposal (attached). The EC requested the Secretariat to revise the document in the light of EC comments, and anticipated that, following a review of a revised proposal, EC adoption of the proposal would be through the electronic voting procedure.

14. Preparation for Joint Board Meeting with the Board of the RIPE NCC

The EC considered a draft agenda for this meeting (attached).

15. AOB

There were no items of AOB.

Next EC Meeting

26 August 2013 in Xi'an, China

Meeting adjourned: 12:40 pm on Sunday, 12 May.

Meeting Material

APNIC EC Meeting – May 2013

- April Financial Report
- Director General's Report
- APNIC Update presentation pack
- APNIC Travel Insurance and Emergency Assistance Presentation Pack
- APNIC Business Travel Insurance Policy Schedule
- APNIC Business Travel Insurance Product Disclosure Statement
- APNIC Risk Registry presentation pack
- A Guide to Directors' Duties and Responsibilities presentation pack
- Managing APNIC Investments presentation pack
- APNIC Investment Management Briefing Paper
- APNIC Investment Policy (Draft)
- CBA Investment Advisory Services
- CBA Investment Advisory proposal
- Agenda for meeting with the Board of the RIPE NCC

Monthly Financial Report (in AUD)

April 2013

APNIC



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1 Statement of Financial Position

	30/04/2013	% of Total	Year-End 2012	% Change from 31/12/2012
CURRENT ASSETS				
Cash/ Term deposits	14,639,169	58%	14,496,774	1%
Receivables	629,683	2%	933,777	-33%
Others	702,293	3%	536,274	31%
TOTAL CURRENT ASSETS	15,971,145	63%	15,966,824	0%
NON-CURRENT ASSETS				
Other financial assets	1,229,646	5%	1,150,123	7%
Property, plant and equipment	7,977,806	32%	8,012,422	0%
Deferred tax assets/ liabilities	78,492	0%	78,492	0%
TOTAL NON-CURRENT ASSETS	9,285,944	37%	9,241,036	0%
TOTAL ASSETS	25,257,088	100%	25,207,861	0%
CURRENT LIABILITIES				
Payables	1,271,348	5%	1,685,736	-25%
Provisions	1,196,709	5%	1,145,960	4%
Unearned revenue	6,628,810	26%	7,567,408	-12%
TOTAL LIABILITIES	9,096,867	36%	10,399,104	-13%
NET ASSETS	16,160,221	64%	14,808,757	9%
EQUITY				
Share capital	1.00	0%	1.00	0%
Reserves other financial assets investment	186,212	1%	107,535	73%
Retained earnings	15,974,008	63%	14,701,221	9%
TOTAL EQUITY	16,160,221	64%	14,808,757	9%

1.1 Notes to Financial Position

The balance sheet shows that APNIC's net position has increased by around 9% compared to the end of last year. Other variations worth noting are:

- The value of APNIC's managed funds included in the Other financial Assets has increased by 7% since the beginning of the year.
- Unearned revenue has reduced by around 12% reflecting the effect of the annual billing cycle and the impact that large invoices have on APNIC's cash flow and balance sheet.

2 Statement of Income

2.1 Expenses

This report incorporates the approved 2013 budget. The year to date April expenses are compared with the figures for the same period last year, and with the year to date budget that is based on a linear pro-rata calculation.

EXPENSES (AUD)	YTD Apr-13	YTD Apr-12	Variance %	YTD Budget 2013	YTD Budget Variation	YTD Budget Variation %
Bank charges	43,338	37,320	16%	45,328	(1,990)	-4%
Communication expenses	159,898	151,248	6%	177,124	(17,226)	-10%
Computer expenses	189,549	146,272	30%	212,356	(22,807)	-11%
Depreciation expense	251,028	284,240	-12%	298,200	(47,172)	-16%
Doubtful debt expenses	0	1,258	-100%	8,664	(8,664)	-100%
ICANN contract fee	103,333	103,333	0%	103,332	1	0%
Income tax expense	0	0	0%	20,000	(20,000)	-100%
Insurance expense	42,652	41,304	3%	43,948	(1,296)	-3%
Meeting and training expenses	107,707	58,259	85%	117,492	(9,785)	-8%
Membership fees	11,291	21,539	-48%	18,204	(6,913)	-38%
Office operating expenses	97,373	85,619	14%	96,452	921	1%
Postage & delivery	13,813	10,410	33%	11,008	2,805	25%
Printing & photocopy	12,428	8,581	45%	15,196	(2,768)	-18%
Professional fees	317,698	203,929	56%	384,908	(67,210)	-17%
Recruitment expense	19,184	34,471	-44%	33,332	(14,148)	-42%
Salaries and personnel expenses	2,555,353	2,545,256	0%	2,890,600	(335,247)	-12%
Sponsorship and Publicity expenses	37,234	57,137	-35%	111,820	(74,586)	-67%
Staff training/conference expenses	58,108	36,632	59%	54,664	3,444	6%
Translation expenses	1,362	0	0%	10,000	(8,638)	-86%
Travel expenses	592,155	611,610	-3%	676,728	(84,573)	-12%
TOTAL EXPENSES	4,613,506	4,438,417	4%	5,329,356	(715,850)	-13%

Notes to Expenses:

The significant variances for expenses are caused by timing differences between the budget allocation and the actual realisation of expenses during the year.

- **Depreciation expenses** are tracking below forecast due to timing of capital expenditure to occur later in the year. This expense will be reforecast as part of the half-year review.
- **Professional Fees** continue to track below budget estimates due to the timing of the expenses during the year. It is expected that the full year budget will be expensed by the end of the year. (e.g. Audit and Taxation Fees are incurred in Dec)

- **Salary and Personnel Expenses** are tracking below the budget; this is a result of the delay in recruitment for budgeted roles. The full year budget included 2 new roles, one of which has been recruited. The budget also includes expenses that are incurred only at the end of the year.
- **Sponsorship and Publicity Expenses** include a number of annual costs such as NRO expenses that will be taken to account later in the year.
- **Travel Expenses** are below budget at the end of April but it is anticipated that travel costs will reach close to budget by the end of the year.

2.2 Revenue

REVENUE (AUD)	YTD Apr-13	YTD Apr-12	Variance %	YTD Budget 2013	YTD Budget Variation	YTD Budget Variation %
IP Resource application fees	537,250	649,750	-17%	485,916	51,334	11%
Interest income	210,171	179,001	17%	198,332	11,839	6%
Membership fees	4,962,591	4,663,712	6%	5,015,276	(52,685)	-1%
Non-members fees	78,965	76,644	3%	76,664	2,301	3%
Reactivation fees	11,400	10,800	6%	11,700	(300)	-3%
Transfer fees	25,053	0	0%	25,000	53	0%
Sundry income	60,053	35,803	68%	85,496	(25,443)	-30%
Foreign exchange gain/(loss)	812	(659)	-223%	0	812	0%
TOTAL REVENUE	5,886,294	5,615,051	5%	5,898,384	(12,090)	0%

Notes to Revenue:

- **IP Resource application fees** – Resource application fees are tracking above budget, this reflects the adoption of the reduction in this fee from March 1, it is expected that by the end of the year, the actuals will be close to budget.
- **Membership fees** – It is anticipated that membership fees will reach the budget by the end of the year.

2.3 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	YTD Apr-13	YTD Apr-12	Variance %	YTD Budget 2013	YTD Budget Variation	YTD Budget Variation %
Total Revenue	5,886,294	5,615,051	5%	5,898,384	(12,090)	0%
Total Expenses	4,613,506	4,438,417	4%	5,329,356	(715,850)	-13%
OPERATING SURPLUS	1,272,787	1,176,633	8%	569,028	703,759	124%

APNIC Reserve

2.4 Cash Flow Statement

This report shows the cash flow status as at the end of April.

Accounts	Amount
Operating Activities	
Net Income	1,272,787
Adjustments to Profit/(Loss)	
Accounts Receivable	304,094
Other Current Asset	(166,025)
Accounts Payable	3,087
Sales Tax Payable	(1,423)
Other Current Liabilities	(1,312,930)
Total Adjustments to Profit/(Loss)	(1,173,197)
Total Operating Activities	99,590
Investing Activities	
Fixed Asset	34,616
Other Asset	(79,523)
Total Investing Activities	(44,907)
Financing Activities	
Long Term Liabilities	9,029
Other Equity	78,677
Total Financing Activities	87,707
Net Change in Cash for Period	142,389
Cash at Beginning of Period	14,496,780
Cash at End of Period	14,639,169

2.5 APNIC Capital Reserve

The APNIC Reserve is diversified between Cash Investments, Managed Funds, and Property (APNIC Office). At the end of April, APNIC maintained \$14m in cash reserves, \$1m in managed fund investments, and \$7m invested in the APNIC Property. Figure 2.1 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

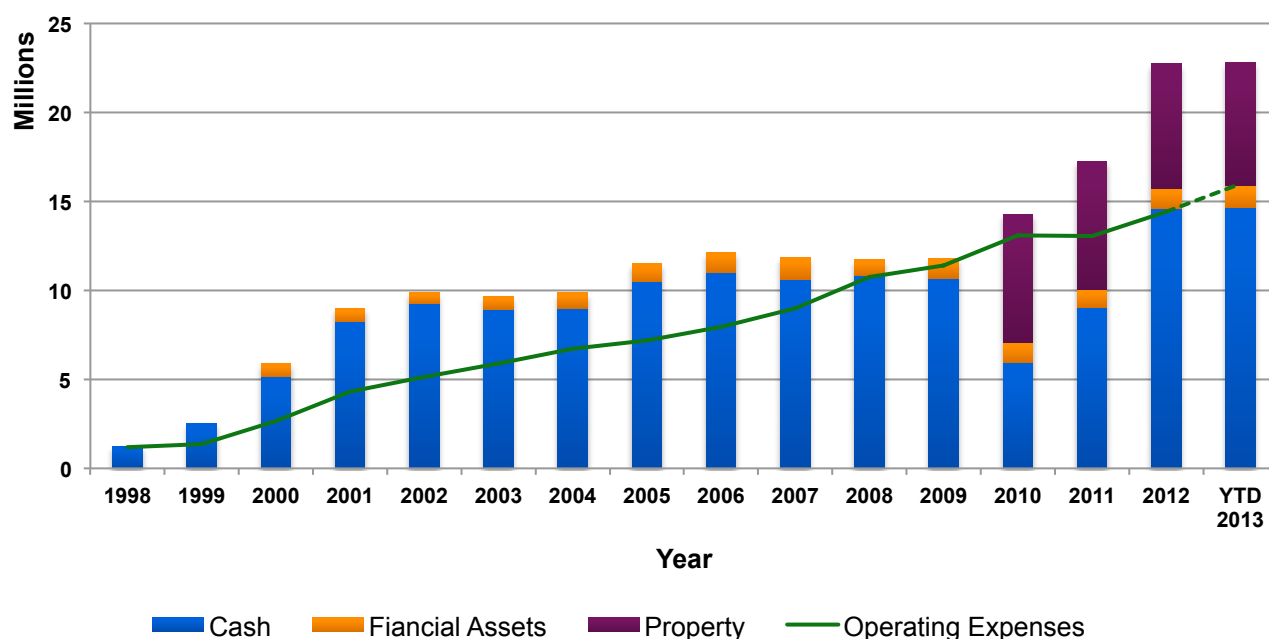


Figure 2.1 Reserve

3 Membership

3.1 Membership Statistics

As at the end of April 2013, APNIC had a total of 3,682 Members serving 53 economies.

3.2 Membership by Category

The table below shows the monthly changes in membership. The majority of APNIC Members remain in the Small and Very Small membership tiers.

Membership	Total Mar-13	New Apr-13	(Closed) Apr-13	Size Change Apr-13	Total YTD Apr-13	% Total
Extra Large	20	0	0	0	20	1%
Very Large	45	0	(1)	1	45	1%
Large	146	0	(2)	4	148	4%
Medium	401	0	(6)	(1)	394	11%
Small	1135	0	(13)	26	1148	31%
Very Small	1083	0	(14)	24	1093	30%
Associate	836	59	(7)	(54)	834	23%
TOTAL	3666	59	(43)	0	3682	100%

3.3 Membership Growth

Figure 3.1 illustrates APNIC membership monthly movements. Membership growth budgeted for 2013 has been incorporated in this graph to track monthly growth against monthly budget growth.

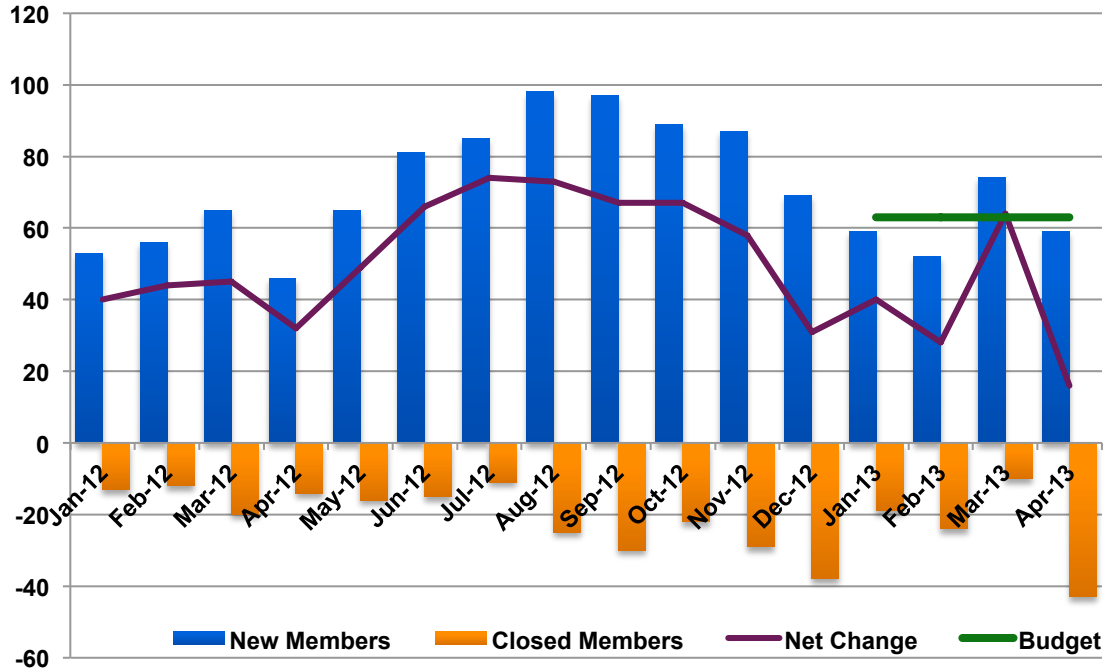


Figure 3.1 Monthly Growth Analysis

Figure 3.2 below illustrates APNIC membership growth by membership tier:

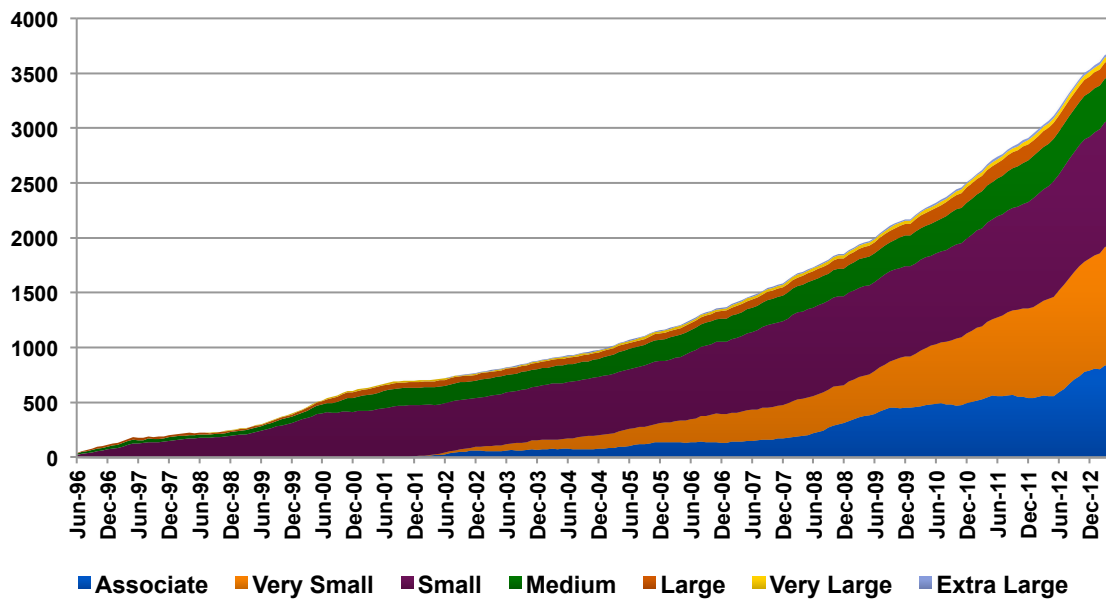


Figure 3.2 Total membership

3.4 Year-to-Date Membership Movement by Economy

Figure 3.3 below shows new and closed membership movement by economy as at 30 April 2013.

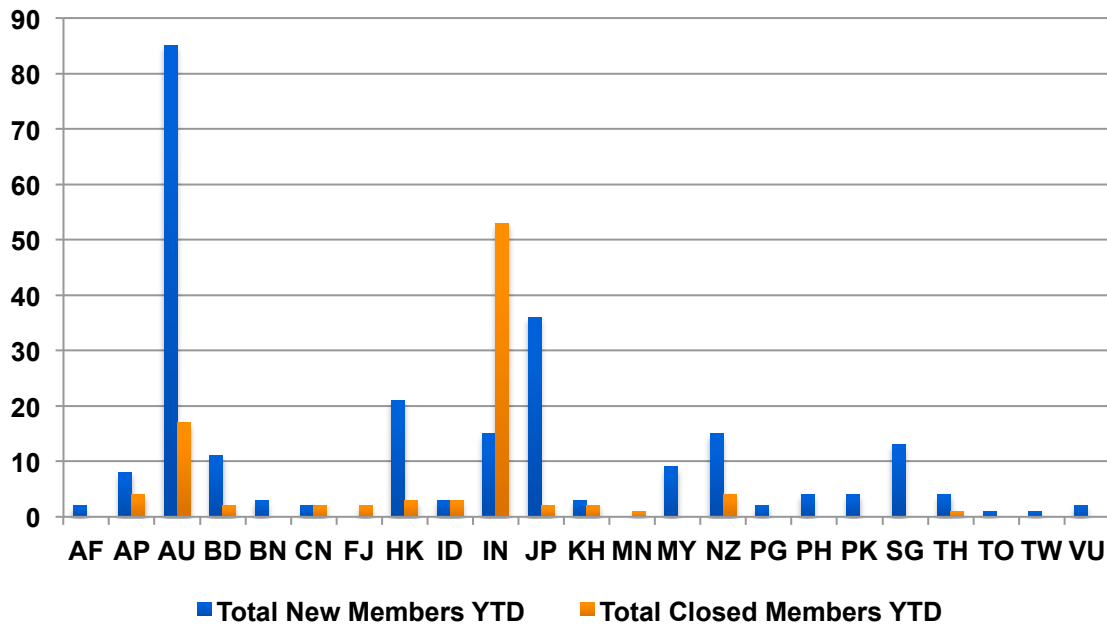


Figure 3.3 New and Closed Members Analysis

Figure 3.4 below provides an analysis of the Membership closures for the year to date as at the end of April, 55% of the closures (52 in total) are due to account transfers to NIRs, and 32% of the accounts closures relate to accounts closed due to failure to establish contact or business no longer operating where resource holdings are returned to APNIC.

For the year to date as at the end of April 2013, India has had 53 account closures, 48 of these are due to transfers from APNIC membership to IRINN. Others were closed due to non-payment and discontinued APNIC membership. At the end of last year there were 530 Indian members, and the 2013 budget assumes that around 132 (25%) of these members will transfer to IRINN during 2013.

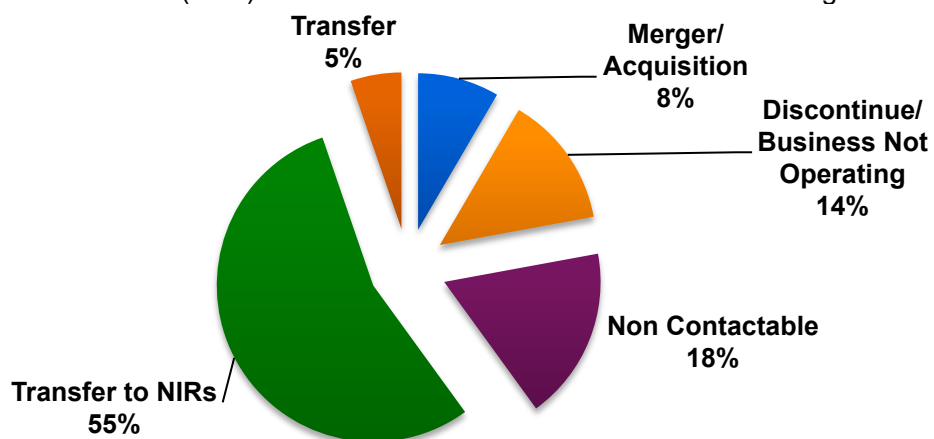


Figure 3.4 Closure Analysis

Director General's report to APNIC Executive Council

8 May 2013

This report is provided to the EC for the quarterly meeting on 11/12 May 2013.

Additional information is available in the current APNIC update presentation (PPT), dated 17 May 2013, which will be presented at the same meeting.

Business Area

The latest APNIC monthly financial report is available for discussion at the Dublin meeting, produced by Finance staff within 5 days of the start of May. Also, an APNIC investment policy has been drafted for EC discussion.

<https://apnic-ec.apnic.net/bin/view/Main/ECmeetings>

The ISO9001 QA project is underway and on schedule. Internal and external QA Audits to be completed by the end of July, aiming for certification to be achieved before APNIC 36.

The ATO (Australian Tax Office) has advised of our successful appeal in assessment of Forex gains and losses in 2007 and 2008, which has resulted in a tax refund of AUD \$68,165

On the ATO review of our mutual status, we have no further news. Advice from KPMG has been not to pursue an answer from them, as it is likely to be negative. We are still reporting according to mutual status, but there will be no prejudice or penalty in the event of a final decision against our status.

Staff has developed a set of organisational (operational) KPIs for regular monitoring and progress reporting, on a monthly basis. This is a work in progress and can be shared with the EC as time-series results are gathered.

The budget process for 2014 has not commenced yet. The APNIC Secretariat will rely on advice from the EC on the framework and approach for the next budget cycle, before starting work.

APNIC has obtained services from International SOS for emergency travel support, which have been used twice this year (in Singapore and Beijing). Travel insurance costs were reduced due to the use of this service, but may be subject to review after claims made. A new travel agent has been appointed as of April 2013.

<http://www.internationalsos.com>

<http://www.travelctm.com>

Services

Staff have implemented the agreed 50% reduction in APNIC's initial allocation fee, as of April 2013.

<http://www.apnic.net/fees>

As reported in monthly financial report, the rate of new member growth has slowed during 2013, below budget estimates. It is not clear if this is a seasonal or longer-term trend. Also the effect of the India NIR is being seen, with 48 APNIC members moving to IRINN so far.

A "National Internet Resource Report" product for Government agencies is being developed. We already provided monthly national reports to Government agencies who request it, including extracts of public data (and only public data) for their economies. This is being requested more often, and will be developed as a more formal "product" in future. We will work with NIRs to produce joint reports where desired.

We are receiving more requests for individual membership, so have conducted a legal review of our documents. APNIC bylaws confirm the original intention for APNIC to offer membership to individuals, and no other documents prevent it. Also Internet resource requests can be handled in the same way, regardless of the legal entity involved (person or organisation). Therefore individual membership are being granted where requested.

The revised NIR membership agreement has been adopted, and all NIRs are expected to sign. In case of JPNIC a side-letter has been provided to confirm certain specific implications of the new agreement and the NIR recognition criteria.

Technical

A new VOIP system has been budgeted and specified, for implementation in 2013. It will provide better call control, detailed monitoring of service call activities (Helpdesk), better audio conferencing, and security.

Work is underway to deploy the new RIPE database (whois) system, which has been entirely reimplemented by NCC (in Java). This will provide historical ("whowas"), and RDAP/WEIRDS functionality, which are needed features. Some functionality needed by APNIC is missing (eg NRTM, and schema configuration) and needs to be reimplemented by APNIC – this is a substantial project.

Further work on service virtualisation has been underway, and "Puppet" configuration management to be completed in June.

Work has been underway with the NRO ECG to define processes for publication of joint IP resource stats on the NRO website, for deployment in May.

Learning and Development

A new events registration system has been selected for training and conference events, to replace APNIC's in-house systems. It will be deployed for APNIC 36.

<http://ungerboeck.com/software-solutions/event-management-software>

A cost-recovery training consultant (ex-Cisco) has been identified for hire in India, and agreement established with an Indian company who will host him.

First LEA training course conducted with InternetNZ in Wellington, early May.

APNIC's Training website has been reimplemented this year and now provides much more information on course content and schedules. Full information about current training activities is available at:

<http://training.apnic.net>

Human Resources (confidential)

[This section removed from the published material]

Public Affairs

WTPF: Since WCIT, ITU is still working to promote the ITRs to members states which have not signed, but without much success it seems. Attention has now shifted to WTPF as the next forum in which Internet issues will be discussed. APNIC and ARIN joined the Informal Expert Group, however contributions were largely ignored. General expectation is of more conflict and uncertainty arising from Geneva WTDC meetings this month. <http://www.itu.int/en/wtpf-13>

ITU Regional Development Forum and ITU/APT WTDC preparatory meetings were held in Cambodia with strong APNIC presence. IPv6 capacity building featured strongly, along with new emphasis on multistakeholder participation in ITU activities.
www.itu.int/en/ITU-D/Conferences/WTDC/WTDC14/RPM-ASP

PITA AGM and APT regional forum in Samoa, with APNIC participation and tradeshow booth (providing good access to APNIC members from the Pacific).
<http://www.pita.org.fj>

APNIC proceeds with IPv6 capacity building project with ITU-D ASP (Asia Pacific) CoE, which is receiving AU Government funding. A longer term (5-year) project may be developed, providing suitable funding partners can be found.

Plenipotentiary meeting of ITU will be held in 2014, to start new 4-year ITU cycle, including reappointment of senior positions. APT preparatory meetings have started and will continue during this year.
<http://www.itu.int/en/plenipotentiary>
<http://www.apnic.int/2013-PP14-1>

IGF

I have taken the Chair position of the Asia Pacific regional IGF (APrIGF), helping to establish appropriate procedures, interfaces with Bali IGF, and preparations for Korea meeting. <http://rigf.asia>

Have held series of meetings and discussions in preparation for Bali meeting, hoping to increase AP-region awareness and involvement. Focus is on the value of the Internet economy in Asia,

As MAG member I am participating in overall programme design, as well as content selection and development processes. <http://intgovforum.org>

APNIC and the NRO has been involved in several workshop proposals, by lodging proposals or offering speakers.
<http://www.intgovforum.org/cms/wks2013/listing.php>

NRO and related

In response to a proposal from ARIN, the NRO EC has agreed that NRO incorporation is not required at present, and the issues should be shelved for another 2 years (until 2015)

The NRO EC has resolved to explore ITU Sector membership (T & D sectors) for the NRO, as a means for the NRO to participate in its own right, and to aggregate RIR participation in ITU activities.

German Valdez started work as the NRO's Executive Secretary in April 2013. This is a shared expense for the nro, funded according to the usual cost sharing formula.

The NRO IPv6 Coordination Group has now been established.

ICANN

The new ICANN CEO Fadi Chehade attended APRICOT and was available for several meetings with APNIC and other RIR representatives. Again during the ICANN 46 meeting in Beijing, meetings were held on a number of topics.

The NRO has provided advice to ICANN on its handling of proposals for an Arab RIR to be established. A new RIR can be established and will be supported, however the principles of ICP-2 (ICANN's policy for new RIRs) must be observed.

IANA is embarking on a consultation process, as required by the USG, to document the sources of policy which govern its actions. There has been a discussion with the NRO about which sources of policy should be included, as the ASO MoU is already quite specific about this.

ICANN has launched regional strategy development processes for Africa and Latin America, in close consultation with AfriNIC and LACNIC (among other stakeholders). Such a process is yet to start in the APNIC region, however an Asia process is expected to start with the appointment of ICANN's VP for Asia, and a Pacific process is also expected to start within the next 2 months. ICANN has invited APNIC's participation in both.

An exchange of letters between the NRO and ICANN is currently being discussed as a means to make clear our public agreements on these matters. (Draft copy provided to the APNIC EC)

RIPE Cooperation Agreement

The following projects fall under the cooperation agreement signed with RIPE NCC:

Weirds Development Collaboration: APNIC working with RIPE NCC and also CNNIC on deployment of the RDAP (WEIRDS WG) protocols. Functionality will be included in next release of RIPE database code, which APNIC will release in Q3.

RPKI UI development: Uniform implementation of APNIC and RIPE NCC interfaces to RPKI services, providing consistent look and feel to both services, completed.

BCP Collaboration: Work progressing during Dublin meeting to coordinate cross-audits of NCC and APNIC BCPs, to be completed during 2013.

Survey Cooperation: Also progressing during Dublin meeting, towards increased consistency between surveys, to share experiences and allow comparisons. This will be discussed with APNIC EC during future workshop on APNIC Survey processes.

IPv6 Training: Collaboration on jointly updated training materials for IPv6. Ongoing.

StatService: Project on hold pending future funding.

LEA coordination: It is hoped to establish a formal collaboration on engagement with Law Enforcement Agencies. This project is still to be defined and launched.

Other

APNIC 36 and 20th birthday celebration is being prepared for Xi'an. Invitation list is being assembled (for special invitation and free registration), and APNIC EC members are invited to add names. There will be suitable formalities to celebrate contributions to APNIC from the past 20 years.



John Earls has interviewed all EC members about expectations for the AP Pulse project, and will communicate separately.

The next APNIC Survey is due to be launched in March 2014. The proposed workshop EC on the survey process is now scheduled to take place in Xi'an, with assistance from John Earls. Any changes to the survey process can then be reviewed (or approved) by the EC during the December 2013 meeting, before the survey process is finalized.

APNIC Update

Paul Wilson

RIPE 66
Dublin, 17 May 2013






Overview

APNIC's vision:
A global, open, stable, and secure Internet that serves the entire Asia Pacific community.



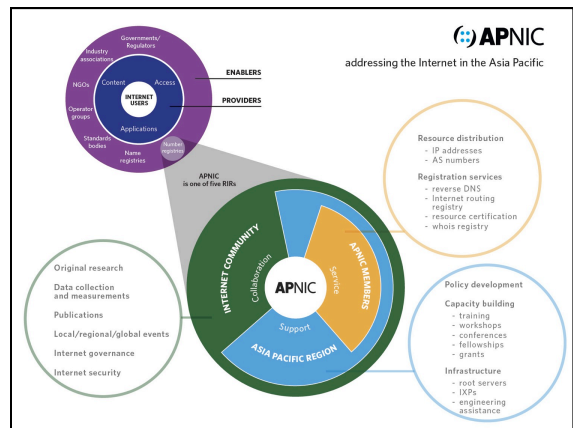
How we achieve this:

- Serving Members
- Supporting the Asia Pacific Region
- Collaborating with the Internet Community

APNIC's Mission

- Function as the Regional Internet Registry for the Asia Pacific, in the service of the community of Members and others
- Provide Internet registry services to the highest possible standards of trust, neutrality, and accuracy
- Provide information, training, and supporting services to assist the community in building and managing the Internet
- Support critical Internet infrastructure to assist in creating and maintaining a robust Internet environment
- Provide leadership and advocacy in support of its vision and the community
- Facilitate regional Internet development as needed throughout the APNIC community







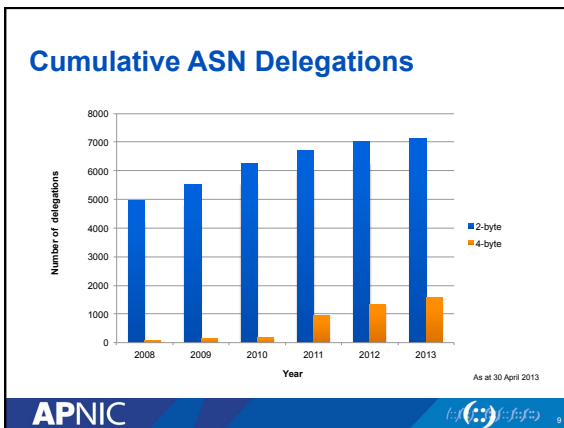
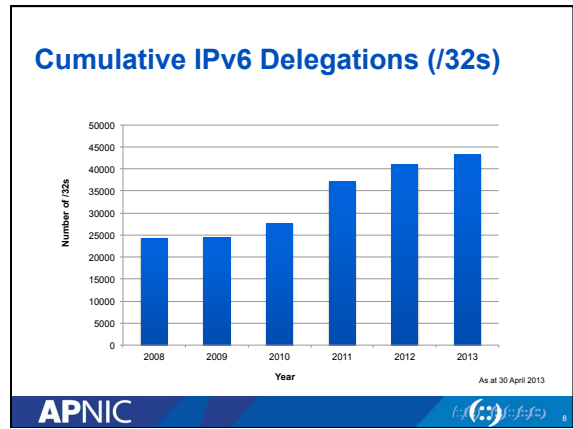
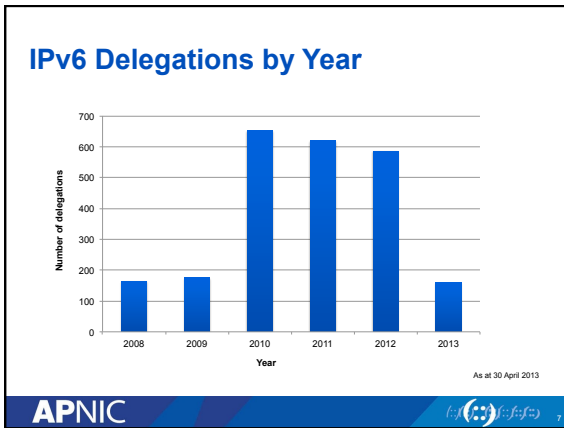
Serving Members




Serving Members

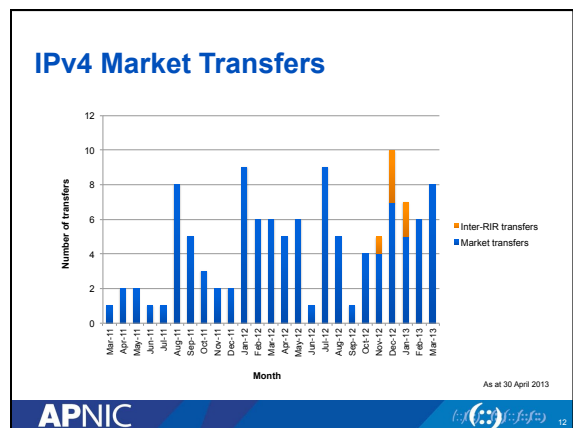
- IPv6 statistics
- ASNs statistics
- IPv4
 - Transfers
 - Statistics
- Membership growth statistics
- Alternative WHOIS protocol
- Resources Public Key Infrastructure

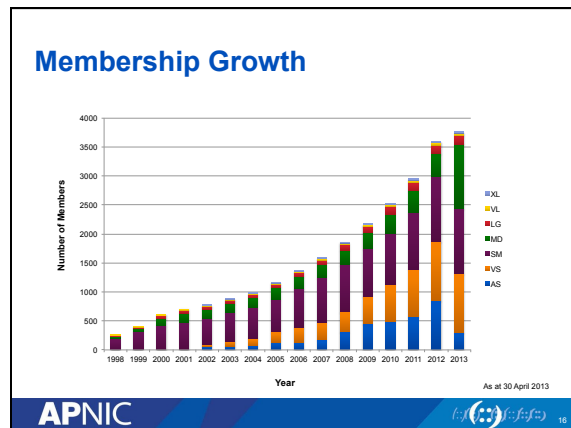
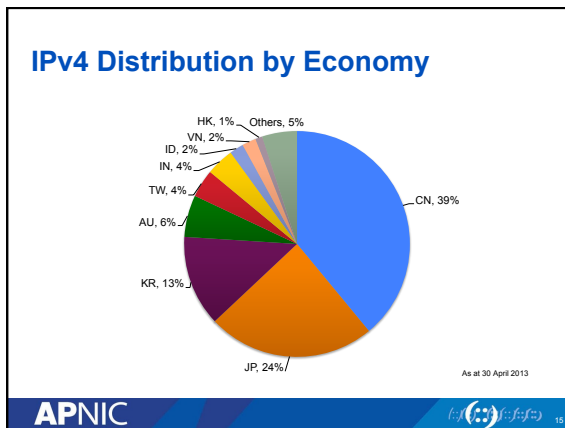
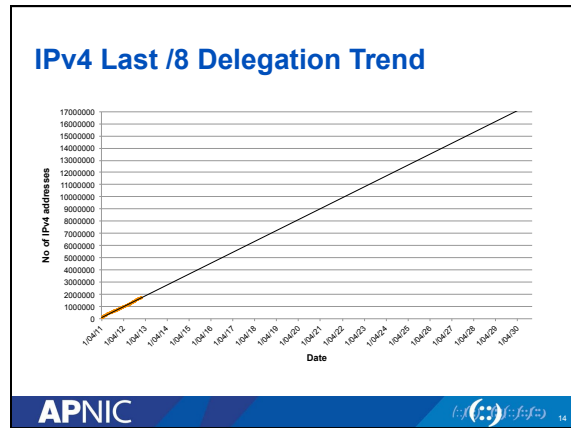
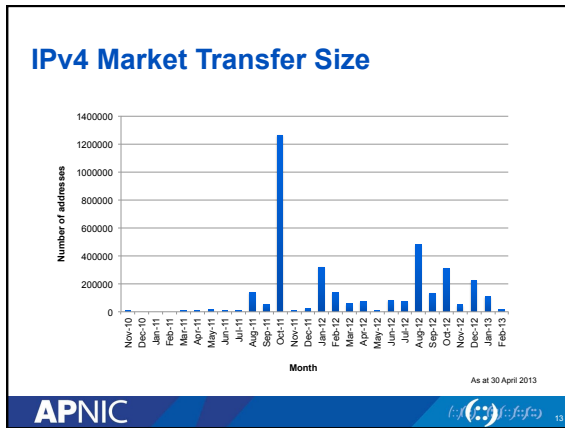





- ### IPv4 Address Transfer Services
- Support for intra and inter-RIR transfers
 - Pre-approval service, with opt-in anonymous listing
 - Broker listing; four registered so far
www.apnic.net/transfer-brokers
 - Mailing list to enable the source and recipients of IPv4 address transfers and IPv4 brokers to discuss topics relevant to transfers
apnic-transfers@apnic.net
 - Public transfer log
[ftp://ftp.apnic.net/public/transfers/apnic](http://ftp.apnic.net/public/transfers/apnic)
 - Transfer fees applied
 - 20% of the transferred block's annual fee (other holdings not included in the calculation)
 - Payable by the recipient, or by the source if transferred out of the APNIC region
- APNIC

- ### Inter-RIR Transfers
- Completed transfers: eight from ARIN to APNIC (Nov 2012 – April 2013)
 - Transfer time (including evaluation): one – two weeks
 - Successfully transferred live network
 - ARIN-managed resources transferred into the AP region, to be managed by APNIC
 - ARIN and APNIC stats overlap one day after the transfer due to the time zone difference
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Alternative WHOIS Protocol

- Web Extension Internet Registration Data Service (WEIRDS)
 - IETF working group to which APNIC is contributing
 - RDAP suite of specifications under development www.apnic.net/rdap
- Alternative protocol for WHOIS to address shortcomings:
 - Lack of internationalization support
 - No specification of queries, output, or error messages
 - No referral mechanism
 - No authentication mechanism
- Pilot service is available (json output)
 - <http://weirds-pilot.apnic.net/ip/202.12.29/23>
 - Easy for web developers
 - Uses http to transport data in json, a format that's familiar to web developers

Resource Public Key Infrastructure

- Working with ICANN and the other RIRs towards a global system
- New split Trust Anchors deployed at the end of 2012
- Updated UI in MyAPNIC to adopt to a common look and feel with the RIPE NCC
 - Introduced at APRICOT 2013/APNIC 35
- Ability for the public to run their own RPKI system interoperating with APNIC
 - Introduced at APRICOT 2013/APNIC 35
- Work on public test bed, further UI convergence, and general signer as Q2/3 deliverables

Supporting the Asia Pacific Region

APNIC



Supporting the Asia Pacific Region

- Policy development
- Training
- IPv6 deployment support
- Information Society Innovation Fund (ISIF)
- Conferences
- Root server deployment

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APNIC Policies in 2013

- Implemented:
 - prop-104: Clarifying demonstrated needs requirement in IPv4 transfer policy (Feb 2013)
 - prop-101: Removing multihoming requirement for IPv6 portable assignments (Feb 2013)
- Did not reach consensus at APNIC 35:
 - prop-105: Distribution of returned IPv4 address (modification of prop-088)
 - Returned to author for further development
 - prop-106: Restricting excessive IPv4 address transfers under the final /8 block
 - Abandoned

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Training

- Continuing focus on IPv6 deployment
 - Comprehensive face-to-face and eLearning sessions
 - IPv6 eLearning day (first Wednesday of every month)
- eLearning
 - Every Wednesday in three time zones
 - 24 modules (1-hour duration per module)
 - Enhanced schedule for 2013
- Face-to-Face
 - Extensive hand-on exercises
 - Physical and Virtual Training Labs to enable participants to build and configure networks
- New training website

training.apnic.net

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Training Delivered in 2013 (Jan to Apr)

- Face-to-face training
 - 30 courses in 12 locations
 - 614 participants
- eLearning
 - 39 courses
 - 326 participants



As at 30 April 2013

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IPv6 in the Community

- IPv6@APNIC
 - IPv6 Plenary at APNIC 35 in Singapore, Feb 2013 focused on mobile network deployment in cellular networks
 - Workshop at ICANN 46, Beijing
- Asia Pacific IPv6 Task Force (APIPv6TF)
 - Established to encourage IPv6 deployment and serve as a platform for knowledge exchange
 - APNIC continues to provide Secretariat services
 - Met at APNIC 34 and 35

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ISIF Asia

- Call for 2013 Awards open until May 2013. AUD 3,000 plus opportunity to attend the IGF Bali. Categories:
 - Innovation on access provision
 - Innovation on learning and localization
 - Code for the common good
 - Rights
- 2013 Community Choice Award for the project with the most community votes; open until May 2013
- Call for 2014 Grants to be launched in June 2013
- 11 organizations from 9 AP economies are implementing innovative solutions with ISIF Asia 2013 grants (AUD 330,000 support)

www.isif.asia

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ISIF Asia – Seed Alliance

Member of the Seed Alliance for Internet development and digital innovation

- Joint effort with Lacnic (Frida) and AFRINIC (FIRE), with generous support from IDRC and Sida
- Evaluation and research communications activities are underway with support from the “Developing Evaluation & Communication Capacity in Information Society Research project”

www.isif.asia/seed_alliance

APNIC

APRICOT/APNIC Conferences

- APNIC 34: Phnom Penh, Cambodia
 - Total on-site delegates: 237
 - Total remote participants: 378
 - Remote hubs: Medan, Indonesia and Kathmandu, Nepal
- APNIC 35: Singapore
 - Total on-site delegates: 704
 - Total remote participants: 118

conference.apnic.net

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Upcoming Conferences

- APNIC 36: Xi-an, China
 - 20 to 30 August 2013
 - Celebrating APNIC’s 20th anniversary

conference.apnic.net/36/home



- APRICOT 2014 Bangkok, Thailand
 - 18 to 28 February 2014 (includes APNIC 37)

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Following Conferences

- APNIC 38, TBD
 - Call for Proposals

www.apnic.net/events/host-an-event

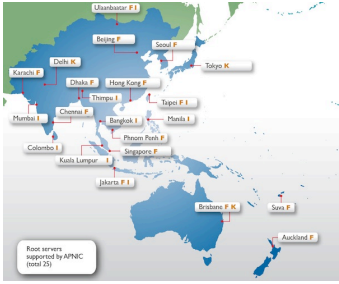
- APRICOT 2015: Fukuoka, Japan
 - 24 February to 6 March 2015 (includes APNIC 39 and APAN 39)

APNIC

Root Server Deployment

- New I-Root in Ulaanbaatar, Mongolia
- F-root upgrades in Chennai, Hong Kong, and Seoul
- Small node trial in Dhaka

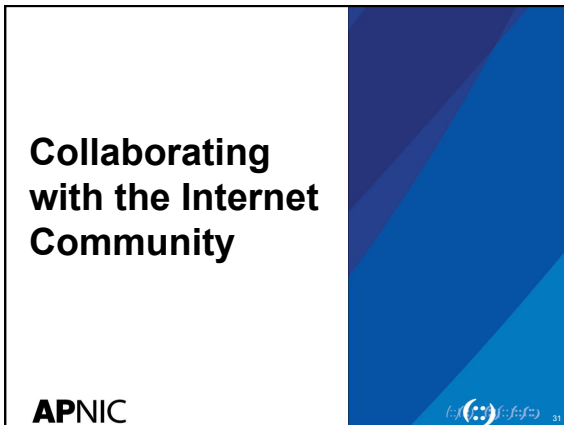
www.apnic.net/rootserver



Root servers supported by APNIC (total 25)

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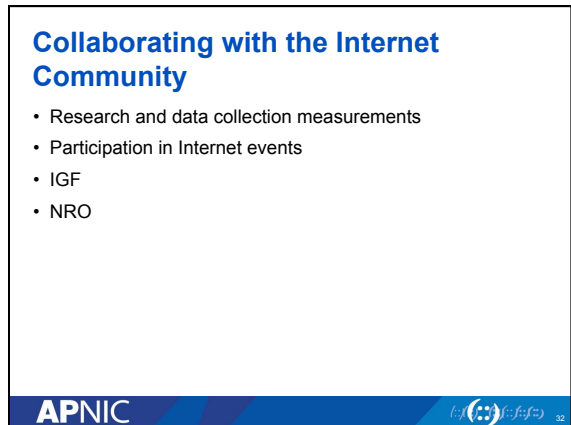
Collaborating with the Internet Community



APNIC

Collaborating with the Internet Community

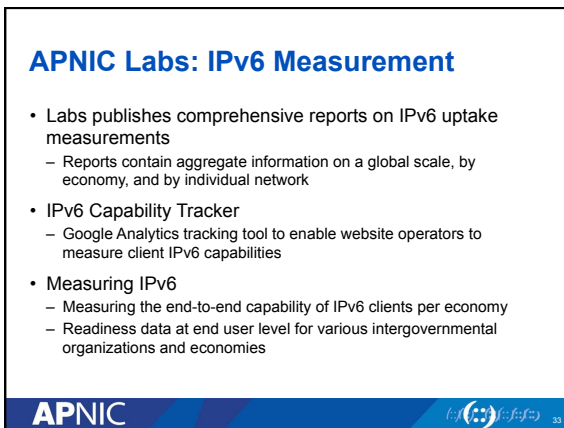
- Research and data collection measurements
- Participation in Internet events
- IGF
- NRO



APNIC

APNIC Labs: IPv6 Measurement

- Labs publishes comprehensive reports on IPv6 uptake measurements
 - Reports contain aggregate information on a global scale, by economy, and by individual network
- IPv6 Capability Tracker
 - Google Analytics tracking tool to enable website operators to measure client IPv6 capabilities
- Measuring IPv6
 - Measuring the end-to-end capability of IPv6 clients per economy
 - Readiness data at end user level for various intergovernmental organizations and economies

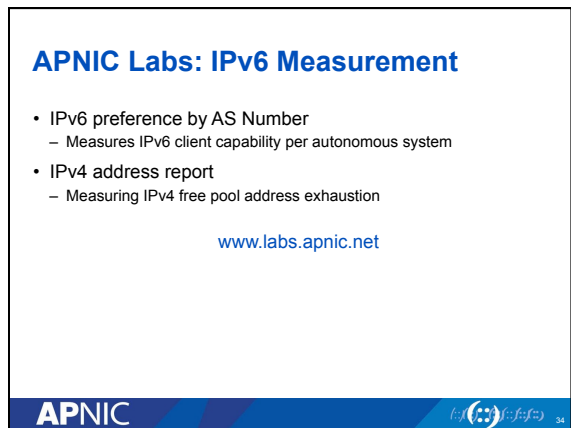


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APNIC Labs: IPv6 Measurement

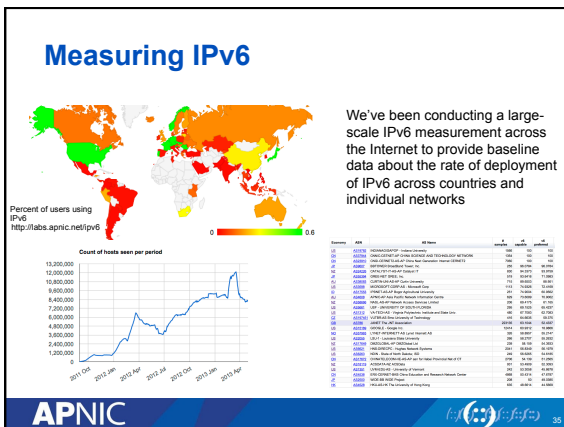
- IPv6 preference by AS Number
 - Measures IPv6 client capability per autonomous system
- IPv4 address report
 - Measuring IPv4 free pool address exhaustion

www.labs.apnic.net



APNIC

Measuring IPv6

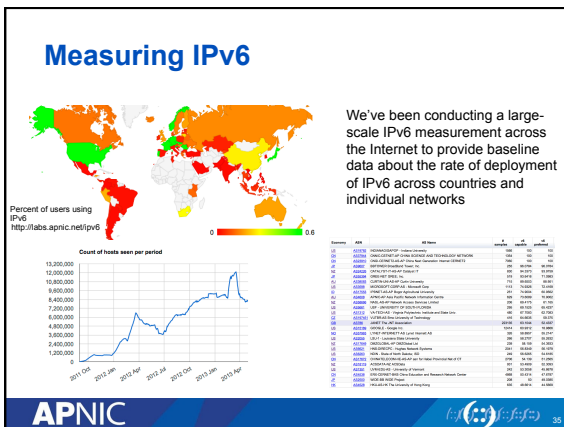


We've been conducting a large-scale IPv6 measurement across the Internet to provide baseline data about the rate of deployment of IPv6 across countries and individual networks

Percent of users using IPv6
<http://labs.apnic.net/ipv6>

Count of hosts seen per period

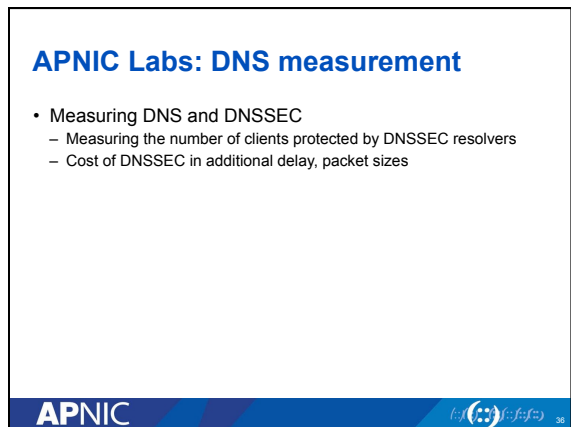
ASN	IPv6	IPv4
AS131222	100	100
AS131223	100	100
AS131224	100	100
AS131225	100	100
AS131226	100	100
AS131227	100	100
AS131228	100	100
AS131229	100	100
AS131230	100	100
AS131231	100	100
AS131232	100	100
AS131233	100	100
AS131234	100	100
AS131235	100	100
AS131236	100	100
AS131237	100	100
AS131238	100	100
AS131239	100	100
AS131240	100	100
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AS131285	100	100
AS131286	100	100
AS131287	100	100
AS131288	100	100
AS131289	100	100
AS131290	100	100
AS131291	100	100
AS131292	100	100
AS131293	100	100
AS131294	100	100
AS131295	100	100
AS131296	100	100
AS131297	100	100
AS131298	100	100
AS131299	100	100
AS131300	100	100



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APNIC Labs: DNS measurement

- Measuring DNS and DNSSEC
 - Measuring the number of clients protected by DNSSEC resolvers
 - Cost of DNSSEC in additional delay, packet sizes



APNIC

DNS and DNSSEC

We are measuring the extent of DNSSEC use, and looking at the level of use of DNSSEC validation across resolvers and end clients in the Internet

How can we interpret what we are seeing?

What are the questions?

1. What proportion of DNS resolvers are DNSSEC-capable?
2. What proportion of users are using DNSSEC-validating DNS resolvers?
3. Where are these users?
4. How long does DNSSEC validation take for a client?

APNIC

APNIC Blabs

- APNIC Chief Scientist Geoff Huston's blog on what's new at Labs or what the team finds currently interesting

www.blabs.apnic.net

APNIC

Internet Governance Forum

- Predominant global forum for discussing Internet governance issues
 - Includes all sectors of society
- Eighth Annual IGF will be held in Bali, Indonesia in October 2013
- Paul Wilson, APNIC DG, is participating this year on the IGF's Multistakeholder Advisory Group (MAG)
- Internet organizations such as APNIC have supported the IGF process intensively since its inception
 - The NRO has doubled its annual contribution to the IGF

www.apnic.net/igf

APNIC

Number Resource Organization

- Coordinating body for the five RIRs
- Joint activities with the other four RIRs
 - Resource certification
 - Global statistics and report publication
 - Internet governance
 - Global policy development
 - Global Policy Proposal for Post Exhaustion IPv4 Allocation Mechanisms by IANA
- Paul Wilson is serving as the Chair of the NRO EC in 2013

APNIC

Number Resource Organization

- German Valdez has recently been appointed as the NRO Executive Secretary
- APNIC is supporting the NRO by engaging in:
 - The global IGF
 - Three ICANN Meetings
 - WTPF; WTDC and related preparatory meetings

www.nro.net

APNIC

Questions?


pwilson@apnic.net

APNIC

Travel Insurance & Emergency Assistance

May 2013

APNIC



Travel Insurance and Emergency Assistance

APNIC is committed to ensuring that all employees have access to a high level of support when travelling on APNIC business.

This support is offered in 2 ways:

1. Travel Insurance
2. International Emergency Assistance

*Employees includes all staff, APNIC EC/AC, and Contractors

APNIC



Travel Insurance

APNIC has a Corporate Travel policy with ACE Insurance, arranged through our Insurance Broker AON.

Some of the key features are:

- Linked with International SOS Emergency Assistance
- All employees are covered when travelling on APNIC business and for incidental private travel (no limits on length of travel), on either side of a business related trip
- See Policy and Schedule on EC wiki for details of coverage
- Contact Richard if you require any further information

APNIC



Travel Insurance

Coverage:

In general terms the policy states that all will be covered provided that that are **not travelling against medical advice**.

But in the detail of the policy look pre-existing conditions are considered in more detail –

- If you are undergoing medical treatment, have recently had any procedure, or are aware of any risks that the insurer could reasonably expect to be advised of, we need to contact the insurer before travel to confirm coverage.

APNIC



Travel Insurance

Coverage:

The policy clearly covers personal trips on either side of a business trip:

- It is reasonable for the Insurer to be advised if you are undertaking an extensive personal trip in conjunction with a business trip. (e.g.: if you were taking a 3 week trek in the Andes after a LACNIC meeting)

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Travel Insurance

Coverage:

For non-medical claims

- Report any losses, thefts, delay of luggage to the relevant authority or Airline, and keep records.
- So if your luggage is delayed, ensure you can prove when it was reported and when you picked it up.

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Travel Insurance

Key things to Remember about our travel insurance:

- APNIC has extensive cover
- ISOS Emergency Assistance and Insurance work together to ensure the best medical outcome
- In relation to Insurance, upfront disclosure of any change in risk is very important - so if in doubt contact Richard or Louise
- For all claims, medical or other, keep records for future reference.
- Ensure that you advise APNIC secretariat as soon as a claim is likely

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International SOS

One of the key reasons for changing travel insurers was to have access to combined Emergency Assistance and travel insurance support.

International SOS(ISOS) will work with our Insurers to ensure best possible outcome.

- They have an accredited global network of medical and emergency support teams.
- They can be accessed 24/7 from anywhere in the world
- Support not limited to medical
- Detailed up to date information on destinations

APNIC

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BUSINESS TRAVEL POLICY SCHEDULE

Schedule of Benefits

Sum Insured each Covered Person

All limits are in the same currency as the premium and taxes displayed.

SECTION 1: Personal Accident & Sickness

Category	Table of Events	Part A - Lump Sum Benefits
A	Event 1 - Accidental Death	7 x Salary up to 1,000,000
	Events 2-19	7 x Salary up to 1,000,000
Category	Spouse not earning salary	Dependent Children Accidental Death SI (\$)
A	250,000	25,000
Category	Corporate Image Protection	Independent Financial Advice
A	15,000	7,500
Category	Dependent Child Supplement - lump sum per child	Dependent Child Supplement - max per family
A	5,000	15,000
Category	Partner Retraining Benefit	Spouse/Partner Accidental death benefit
A	15,000	25,000
Category	Tuition or Advice expenses	
A	750 per month. Payable up to 6 months	



Category	Part B –Bodily Injury Resulting in Surgery – Benefits	Part C – Sickness Resulting in Surgery – Benefits	
A	20,000	20,000	
Category	Part B - Weekly Benefits – Bodily Injury	% of Salary - Part B	Excess Period (Days) – Part B
A	15,000 x 156 weeks	Up to 85 %	14
Category	Part C - Weekly Benefits - Sickness	% of Salary - Part C	Excess Period (Days) – Part C
A	Nil	0	Nil
Category	Part D Fractured Bones – Lump Sum Benefits	Part E – Loss of Teeth or Dental Procedures – Lump Sum Benefits	Part E – Loss of Teeth or Dental Procedures – Limit per tooth
A	3,000	1,000	250

SECTION 2: Kidnap & Ransom/Extortion Cover

Category	Maximum Per Event	Trauma Counselling - per visit	Trauma Counselling - max per Covered Person
A	500,000	500	5,000

SECTION 3: Hijack & Detention

Category	Sum Insured	Daily Benefit	Maximum Days	Legal Costs
A	6,000	200	30	10,000



SECTION 4: Medical & Additional Expenses & Cancellation & Curtailment Expenses

Category	Medical & Additional Expenses		Excess
A	Unlimited		0
Category	Reasonable funeral expenses	Ongoing medical expenses	Dentures
A	50,000	50,000	2,500
Category	Continuous Worldwide Bed Confinement		Maximum days
A	100		60
Category	HIV/AIDS contracted through Injury or Accident	Trauma Counselling - per visit	Trauma Counselling - max per Covered Person
A	100,000	500	5,000
Category	Cancellation & Curtailment Expenses		Excess
A	Unlimited		0
Category	Financial Insolvency - Per Covered Person	Financial Insolvency - Annual aggregate limit	
A	10,000	50,000	

SECTION 5: ACE Assistance

Category	Included
A	YES

SECTION 6: Loss of Deposits

Category	Sum Insured	Excess
A	10,000	0

SECTION 7: Baggage/Business Property, Electronic Equipment, Deprivation of Baggage & Money/Travel Documents

Category	Baggage/Business Property	Excess	Limit any one (1) item
A	20,000	0	2,500



Category	Electronic Equipment	Excess
A	10,000	250
Category	Deprivation of Baggage	
A	3,000	
Category	Money/Travel Documents	Excess
A	4,000	0
Category	Identity Theft Extension	Keys & Locks
A	15,000	2,000

SECTION 8: Alternative Employee/Resumption of Assignment Expenses

Category	Sum Insured
A	5,000

SECTION 9: Personal Liability

Category	Sum Insured	Court Attendance - per day	Court Attendance - Max amount
A	5,000,000	100	1,000



SECTION 10: Rental Vehicle Excess Waiver

Category	Sum Insured	Excess and/or no claim reimbursement
A	5,000	2,000
Category	Motor vehicle hire - per week	Motor vehicle hire - Max amount
A	500	2,500

SECTION 11: Extra Territorial Workers' Compensation (any one (1) accident)

Category	Weekly Benefits	Damages, Costs & Expenses	Aggregate Limit of Liability
A	1,000	1,000,000	1,000,000

SECTION 12: Missed Transport Connection

Category	Sum Insured
A	5,000

SECTION 13: Over Booked Flight

Category	Sum Insured
A	2,500

SECTION 14: Political & Natural Disaster Evacuation

Category	Sum Insured (per person)	Part B - Reasonable accommodation costs Per Day
A	20,000	250
Category	Part B - Reasonable accommodation costs Maximum Days	Annual Aggregate
A	14	250,000



SECTION 15: Search & Rescue Expenses

Category	Sum Insured (per person)	Aggregate Limit of Liability
A	20,000	100,000

Aggregate Limit of Liability

Any one (1) Period of Insurance (A):	2,500,000
Non-scheduled Aircraft (B):	250,000



ace insurance

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT (SPDS)

ACE Insurance Business Travel Insurance Policy Wording and Product Disclosure Statement Amendment

Important information about this SPDS

This SPDS contains particulars of changes to the AON Business Travel Insurance Policy Wording and Product Disclosure Statement ("PDS"), code number Business Travel 0912, which was prepared on 1 September 2012. This SPDS should be read together with the PDS. The PDS is amended by this document with effect from the date on which this SPDS is given to You.

This SPDS was prepared on 23 Apr 2013

Supplementary information

The PDS is updated as follows:

In all other respects the PDS remains unchanged.

Ref: BUSINESS TRAVEL INSURANCE PRODUCT DISCLOSURE STATEMENT & POLICY WORDING (Business Travel 0912)-04ET001946 000001

GENERAL INSURANCE CODE OF PRACTICE

ACE is a signatory to the General Insurance Code of Practice (the Code). The Code sets out the minimum standards that we will uphold in respect of the products and services that we provide. Further information about the Code is available at www.codeofpractice.com.au and on request

PRIVACY STATEMENT

We are committed to protecting the privacy of persons covered under the Policy. We collect, use and retain any personal information in accordance with the National Privacy Principles. Our detailed privacy policy is available on Our website at www.aceinsurance.com.au.

We collect personal information (which may include health information) to determine whether to provide this insurance and the cover under it, to administer it once it is in place and to handle or settle any claims made under it.

We collect information directly from Covered Persons or the Policyholder or via Our agents and/or representatives.

We may disclose the information We collect to third parties, including contractors and contracted service providers engaged by Us to deliver Our products and services or carry out certain business activities on Our behalf (such as assessors and call centres) in relation to them, other companies within the ACE Group, other insurers, Our reinsurers, and government agencies (where We are required to by law) and agents and/or representatives of persons covered under the Policy. These third parties may be located outside Australia.

Anyone covered under the Policy agrees to Us using and disclosing personal information as set out in this Privacy Statement. This consent remains valid unless the person alters or revokes it by giving written notice to our Privacy Officer.

If a person covered under the Policy wishes to access a copy of personal information pertaining to them, or to correct or update such personal information, or has a complaint or wants more information about how We manage a person's personal information, those persons should contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Tel: +61 2 9335 3200 or email Privacy.AU@acegroup.com.

Consent of Covered Persons to disclosure of information

The Policyholder confirms that each Covered Person has provided their consent to the use and disclosure of their personal information for the purposes specified in this Privacy Statement and the Policyholder agrees to provide Us with evidence of the Policyholder's procedures in this regard and to advise Us if any consent has not been obtained.



Business Travel Insurance

Product Disclosure Statement & Policy Wording

Aon Risk Services Australia Limited
ABN 17 000 434 720 | AFSL No. 241141



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Important Information

About this Business Travel Insurance Product Disclosure Statement (PDS)

This PDS contains important information about this insurance to assist the Policyholder to make a decision in relation to it.

General Advice

Any general advice contained within this PDS or accompanying material does not take into account the Policyholder's individual objectives, financial situation or needs nor those for whom the Policyholder is effecting the Policy. Such matters should be considered in determining the appropriateness of this product. The Policyholder also needs to consider whether the limits, type and level of cover are appropriate.

Preparation Date

This PDS was prepared on 15 February 2013. Other documents may form part of Our PDS and if they do, We will tell the Policyholder in the relevant document.

How this Insurance is arranged

This product is jointly issued by:

ACE Insurance Limited (ACE)

ABN 23 001 642 020 | AFSL No. 239687
28 O'Connell Street
Sydney NSW 2000

And

AIG Australia Limited (AIG)

ABN 93 004 727 753 | AFSL No. 381686
Level 12, 717 Bourke Street
Docklands VIC 3008

And

Zurich Australian Insurance Limited (Zurich)

ABN 13 000 296 640 | AFSL No. 232507
5 Blue Street
North Sydney NSW 2060

ACE, AIG and Zurich jointly prepare and each takes full responsibility for the Policy Wording and PDS.

ACE is responsible for the administration, including underwriting assessment and handling of insurance claims, for this product.

This product is jointly issued on a co-insurance basis whereby each insurer provides cover under the same terms and conditions but with a limited share of liability. ACE provides cover for 55% of the liability under the product, AIG provides cover for 30% share of liability and Zurich provides cover for the remaining 15% share of liability. Collectively these covers form the one product.

Cover is arranged and distributed by:

Aon Risk Services Australia Ltd (Aon)

ABN 17 000 434 720 | AFSL No. 241141
Level 33, 201 Kent Street
Sydney NSW 2000
Telephone: (02) 9253 7000

If required, Aon will provide the Policyholder with a Financial Services Guide (FSG) to help the Policyholder decide whether they wish to use the services they offer.

General Insurance Code of Practice

We have signed the General Insurance Code of Practice (the Code). We will uphold the minimum standards set out in the Code in respect of the products and services that We provide. For further information about the Code, please go to www.codeofpractice.com.au or please ask Us for a copy.

Summary of Insurance

The Policy provides only those covers specified in the Schedule. Those covers are subject to the terms, limitations, conditions and exclusions of the Policy.

The Policy provides the covers summarised below. It also defines certain terms used in this summary, either under general definitions or as definitions specific to certain Sections and/or Parts. Please refer to the general definitions as well as the relevant Sections and/or Parts for these definitions.

Section 1 Personal Accident & Sickness

We will pay agreed lump sums or weekly benefits if a Covered Person suffers from an Event included in the Table of Events as a result of a Bodily Injury or Sickness. A number of further benefits may be payable in respect of the Event under the Additional Covers under Section 1.

Section 2 Kidnap & Ransom/Extortion Cover

We will reimburse the Policyholder for certain Extortion/Ransom Monies and other amounts if a Covered Person is the subject of a covered Kidnapping or Extortion while on a Journey.

Section 3 Hijack & Detention

We will pay the Policyholder an agreed daily amount while a Covered Person is subject to a covered Hijack or is Detained for more than 12 hours while on a Journey.

Section 4 Medical & Additional Expenses & Cancellation & Curtailment Expenses

We will reimburse the Policyholder, the Covered Person or the Covered Person's estate for certain:

- medical and additional expenses if a Covered Person who, due to an Accident, dies or suffers a Bodily Injury or Sickness while on a Journey; and
- additional or forfeited travel, hotel or out-of-pocket expenses as a result of the unexpected Accidental Death, Serious Injury or Serious Sickness of certain specified persons associated with the Covered Person or any other unforeseen circumstances outside the control of the Policyholder or the Covered Person.

Section 5 ACE Assistance

We provide certain emergency assistance to a Covered Person while the Covered Person is on a Journey.

Section 6 Loss of Deposits

We will reimburse the Policyholder or the Covered Person up to the amount specified in the Schedule for:

- certain Travel and Accommodation Expenses paid in advance, lost as a result of covered Unforeseen Circumstances; and
- the retail price for any airline ticket or other Travel and Accommodation Expenses purchased using Frequent Flyer or similar reward points which is subsequently cancelled as a result of an Unforeseen Circumstance, where the loss of points cannot be recovered from any other source.

Section 7 Baggage/Business Property, Electronic Equipment, Money/Travel Documents & Deprivation of Baggage

We will pay the Policyholder or the Covered Person for loss of, theft of or damage to certain Baggage/Business Property, Electronic Equipment or Money/Travel Documents in specified circumstances. We will also pay for emergency clothing and toiletry items in certain instances of baggage deprivation.

Section 8 Alternative Employee/Resumption of Assignment Expenses

We will pay the Policyholder for specified Alternative Employee Expenses or Resumption of Assignment Expenses incurred as the direct result of a Covered Person dying or suffering a Serious Injury or Serious Sickness or where We admit a claim under Cancellation/Curtailment Expenses in Section 4.

Section 9 Personal Liability

We will indemnify the Covered Person against specified damages for which they become legally liable in respect of either Bodily Injury to any person or loss of or damage to property where the injury or damage is caused by an accident occurring while the Covered Person is on a Journey. We will also pay specified approved legal costs and expenses.

Section 10 Rental Vehicle Excess Waiver

We will reimburse the Policyholder or the Covered Person for the Rental Vehicle Excess of a Rental Vehicle payable because the vehicle is involved in an accident while under the control of the Covered Person or the vehicle is stolen or damaged.

Section 11 Extra Territorial Workers' Compensation

We will indemnify the Policyholder for specified non-statutory workers compensation benefits payable by the Policyholder in the covered circumstances.

Section 12 Missed Transport Connection

We will pay the Policyholder or the Covered Person the Covered Person's specified reasonable extra expenses to use alternative scheduled public transport services so as to arrive at their destination on time if the Covered Person has missed a transport connection in specified circumstances.

Section 13 Overbooked Flight

We will pay specified costs and expenses incurred by the Covered Person if, while on a Journey, the Covered Person is denied boarding on a confirmed scheduled flight due to overbooking and no alternative transport is made available within eight hours of the scheduled departure.

Section 14 Political & Natural Disaster Evacuation

We will pay specified costs of the Covered Person's return to their home country or the nearest place of safety and specified reasonable accommodation costs (if the Covered Person is unable to return to their home country), as a result of a covered evacuation or if a major natural disaster has occurred in the country the Covered Person is in, necessitating their immediate evacuation to avoid the risk of their Bodily Injury or Sickness.

Section 15 Search & Rescue Expenses

We will reimburse the Policyholder in respect of specified costs incurred by a recognised rescue provider or the police authorities if, while on a Journey outside Australia, a Covered Person is reported missing and the rescue provider or police authorities must instigate a search and rescue operation.

Specific Terms, Conditions and Exclusions

All of the above covers are subject to specific terms, conditions and exclusions (including limits and excesses). For example:

- Covered Persons are not covered in relation to covered Events that occur before they become a Covered Person or after they cease to be a Covered Person;
- the covered Events must occur during a covered Journey;
- We will only pay up to the agreed limits specified in the Policy;
- We will only cover Events under Section 1 which occur within 12 months of the Bodily Injury or date of the occurrence of the Sickness during a Journey;
- We will not pay any benefits with respect to any loss, damage, liability, Event, Bodily Injury or Sickness which would result in Our contravening the *Health Insurance Act 1973 (Cth)*, the *Private Health Insurance Act 2007 (Cth)* or the *National Health Act, 1953 (Cth)* or any amendment to, or consolidation or re-enactment of, those Acts; and
- We will not pay any claim with respect to any Covered Person who is 85 years of age or over at the time of loss, damage, liability, Event, Bodily Injury or Sickness. This will not prejudice any entitlement to claim benefits which has arisen before a Covered Person attained the age of 85 years (or up to and including 75 years with respect to weekly benefits for Bodily Injury or Sickness).

The above general summary of the covers does not form part of the Policy. The Policyholder and any Covered Person must not rely upon it as a full description of the cover provided. Please refer to the Policy for its full terms, conditions and exclusions.

The nature of a Covered Person's right to access cover under the Policy

A Covered Person's access to this Policy is solely by reason of the statutory operation of Section 48 of the *Insurance Contracts Act 1984* (Cth). Covered Persons are not contracting insureds (e.g. they cannot cancel or vary the Policy – only the Policyholder can do this) and do not enter into any agreement with Us.

When the Policy starts and ends

A Covered Person's access to cover:

- begins from the time the relevant person becomes a Covered Person; and
- ends when the relevant person no longer meets the criteria specified in the Schedule for a Covered Person or at the end of the Period of Insurance (whichever is the earliest).

Please refer to the Definitions section for the definition of 'Period of Insurance'.

Our agreement with the Policyholder ('the Policy')

Where We enter into the Policy with the Policyholder, We do so on the terms and conditions and exclusions contained in:

- this PDS;
- the Schedule We issue to the Policyholder confirming entry into the Policy; and
- any other document that We issue to the Policyholder that We advise will form part of the Policy (e.g. an endorsement or a Supplementary Product Disclosure Statement (SPDS)).

The Schedule contains important information relevant to the insurance, including:

- the Period of Insurance;
- the Covered Persons who are entitled to access cover;
- the Premium payable by the Policyholder (see page 10, Premium description section);
- the applicable benefits and limits; and
- variations to this PDS and other Policy terms, conditions and exclusions (if any).

We may also issue other documents (e.g. endorsements or SPDSs) from time to time which may vary this PDS, the Schedule and other Policy terms, conditions and exclusions.

All of the above make up the Policy that the Policyholder has with Us. They are all important documents; please read them together carefully and keep them in a safe place for future reference.

Cooling Off and Cancellation Rights

The Policyholder has 14 days after entering into the Policy (including renewals) to decide whether or not to return it. If the Policyholder asks Us in writing within those 14 days to cancel the Policy, We will do so, provided neither the Policyholder nor any Covered Person has exercised a right or power under the terms of the Policy in that period (e.g. a claim has been made or benefit paid). We will refund the full Premium, less charges or taxes which We are unable to recover.

Even after the cooling off period ends, the Policyholder has cancellation rights (see page 51 – Cancellation clause).

Renewal procedure

Before the Policy expires, We will advise the Policyholder whether We intend to offer renewal and if so on what terms. Please check the terms of any renewal carefully before renewing to ensure that the details are correct.

Privacy Statement

We are committed to protecting the privacy of persons covered under the Policy. We collect, use and retain any personal information in accordance with the *National Privacy Principles Privacy Act 1988 (Cth)*. Our detailed privacy policy is available on Our website at www.aceinsurance.com.au or www.aig.com.au or www.zurich.com.au

We collect personal information (which may include health information) to determine whether to provide this insurance and the cover under it, to administer it once it is in place and to handle or settle any claims made under it.

We collect information directly from Covered Persons or the Policyholder or via Our agents and/or representatives.

We may disclose the information We collect to third parties, including contractors and contracted service providers engaged by Us to deliver Our products and services or carry out certain business activities on Our behalf (such as assessors and call centres) in relation to them, other companies within Our group of companies, other insurers, Our reinsurers, and government agencies (where We are required to by law) and agents and/or representatives of persons covered under the Policy. These third parties may be located outside Australia.

Anyone covered under the Policy agrees to Our using and disclosing personal information as set out in this Privacy Statement. This consent remains valid unless the person alters or revokes it by giving written notice to Our Privacy Officer.

If a person covered under the Policy wishes to access a copy of personal information pertaining to them, or to correct or update such personal information or has a complaint or wants more information about how We manage a person's personal information, that person should contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001 | Telephone: +61 2 9335 3200 or email privacy.au@acegroup.com or for matters relating to AIG contact the Privacy Manager, AIG, Level 12, 717 Bourke Street, Docklands VIC 3008 or email australia.privacy.manager@aig.com or for matters relating to Zurich contact The Privacy Officer, Zurich Australian Insurance Limited, PO Box 677, North Sydney NSW 2060 | Telephone: 132 687 or email privacy.officer@zurich.com.au

Consent of Covered Persons to disclosure of information

The Policyholder confirms that each Covered Person has provided their consent to the use and disclosure of their personal information for the purposes specified in this Privacy Statement and the Policyholder agrees to provide Us with evidence of the Policyholder's procedures in this regard and to advise Us if any consent has not been obtained.

Complaints and Dispute Resolution

ACE is responsible on behalf of all insurers for the administration of any complaints that any person may have in relation to this product.

We are committed to handling any complaints about Our products or services efficiently and fairly. If a person covered under this Policy is dissatisfied with Our Service, they may contact:

- (i) Aon who may raise it with Us; or
- (ii) ACE on +61 2 9335 3200 and ACE will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To obtain a copy of ACE's procedures contact Us on +61 2 9335 3200 or email DisputeResolution.AU@acegroup.com

A dispute can be referred to the Financial Ombudsman Service. It provides a free and independent dispute resolution service for consumers.

The Financial Ombudsman Service

GPO Box 3

Melbourne VIC 3001

Telephone: 1 300 780 808 (local call fee applies)

Web: www.fos.org.au

Email: info@fos.org.au

Premium

All cover is subject to the payment of Premium and the terms, conditions, exclusions and provisions of the Policy. When calculating the Premium for the Policy, We take a range of factors into account, including:

- the age, occupation and previous insurance history of persons to be covered; and
- the type and amount of cover provided.

The Premium varies depending on the information that the Policyholder gives Us about the risk to be covered by Us. Based on Our experience, We decide what factors increase Our risk and how they affect the Premium.

The Premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges or taxes (e.g. stamp duty) in relation to the Policy. These amounts will be set out separately in the Schedule as part of the total Premium payable.

When the Policyholder applies for this insurance, the Policyholder will be advised of the total Premium amount, when it needs to be paid and how it can be paid.

Non payment of Premium

If the Policyholder fails to pay the Premium on time, and the Premium remains unpaid for at least 90 days, We may cancel the Policy.

We may change the Premium from the renewal date if We notify the Policyholder of the change in writing prior to that date.

Financial Claims Scheme and Compensation Arrangements

We are authorised under the *Insurance Act 1973 (Cth)* to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the *Insurance Act 1973 (Cth)*.

The *Insurance Act 1973 (Cth)* contains prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system. Because of this:

- the protection provided under the Financial Claims Scheme legislation applies in relation to Us and the Policy;
- if We were to fail and were unable to meet Our obligations under the Policy, a person entitled to claim under the Policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at www.apra.gov.au and the APRA hotline on 1300 558 849; and
- We are exempted by Chapter 7 of the *Corporations Act 2001 (Cth)* from the requirement to meet the compensation arrangements which Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives. We have compensation arrangements in place that are in accordance with the *Insurance Act 1973 (Cth)*.

Updating this PDS

We may update the information contained in Our PDS when necessary. A paper copy of any updated information is available to the Policyholder at no cost by calling Us.

We will issue a new PDS or an SPDS to the Policyholder where the update is to rectify a misleading or deceptive statement or when an omission is materially adverse from the point of view of a reasonable person deciding whether to buy this product.

How to Contact Us

To ask Us any questions or request any further information regarding the Policy, We may be contacted on:

ACE Insurance Limited

ABN 23 001 642 020 | AFSL No. 239687

28 O'Connell Street

Sydney NSW 2000

Telephone: 1800 815 675

Facsimile: (02) 9335 3467

Email: A&HUWSupportunit.AU@acegroup.com

General Definitions

Accident means a sudden, external and identifiable event that happens by chance and could not have been expected from the perspective of the Covered Person. The word Accidental will be construed accordingly.

Accidental Death means death occurring as a result of a Bodily Injury.

Accompanying means travelling with or travelling separately from but with the intention to meet, depart from or continue travelling with another Covered Person who is on a Journey.

Bodily Injury means a bodily injury resulting solely and directly from an Accident and which occurs independently of any illness or any other cause, where the bodily injury and Accident both occur during the Period of Insurance and while the person is a Covered Person. It does not mean:

- a Sickness or illness or disease; or
- any pre-existing physical or congenital conditions (except illness or disease directly resulting from medical or surgical treatment rendered necessary by any Bodily Injury).

Civil War means any of the following, whether declared or not: armed opposition, insurrection, revolution, armed rebellion, sedition, between two or more parties belonging to the same country where the opposing parties are of different ethnic religious or idealistic groups.

Claimant means the Policyholder, a Covered Person or any other person entitled to claim under the Policy.

Close Relative means a Spouse/Partner, child, brother, sister, brother-in-law, sister-in-law, daughter-in-law, son-in-law, half-brother, half-sister, fiancé(e), niece, nephew, uncle, aunt, step-child, grandparent or grandchild.

Country of Residence means the country:

- of which the Covered Person is a citizen or permanent resident (e.g. in relation to which they hold a multiple entry visa or permit which gives the Covered Person resident rights in such country); or
- in which the Covered Person is residing on an overseas expatriate assignment.

Covered Person means a person who meets the criteria specified for a Covered Person in the Schedule and with respect to whom Premium has been paid or agreed to be paid by the Policyholder. They are a person that is legally entitled to claim under the Policy by reason of the operation of Section 48 of the *Insurance Contracts Act 1984 (Cth)* and on no other basis. A Covered Person is not a contracting insured under the Policy with Us. Our agreement is entered into with the Policyholder.

Dependent Child means a Covered Person's and their Spouse/Partner's unmarried dependent child (including step or legally adopted child) as long as they are under 19 years of age or under 25 years of age while they are full-time students at an accredited institution of higher learning and in either case, are primarily dependent upon the Covered Person for maintenance and support.

Doctor means a doctor or specialist who is registered or licensed to practice medicine under the laws of the country in which they practice, other than:

- the Policyholder;
- the Covered Person;
- a Close Relative or Parent of the Covered Person or any other immediate family member of the Covered Person; or
- an Employee of the Policyholder.

Employee means any person in the Policyholder's service including directors (executive and non-executive), board members and (except for Section 11) includes consultants, contractors, sub-contractors and/or self-employed persons undertaking work on the Policyholder's behalf.

Event(s) means the Event(s) described in the relevant Table of Events set out in Section 1 of the Policy.

Excess means the first amount of each and every claim which We will not pay and which the Policyholder or Covered Person is required to bear themselves as stated in the Schedule either expressed as a monetary amount or a percentage of the loss.

Incidental Private Travel means travel which is private and taken either side of or during an authorised business trip.

Journey means a trip undertaken on the business of the Policyholder and/or authorised by the Policyholder provided such travel involves a destination away from the Covered Person's normal place of business or residence (more than the kilometres specified in the Schedule against Journey) and does not include normal daily travel between residence and place of business.

Cover shall commence from the time a Covered Person leaves their normal place of residence or place of business, whichever is left last and continue on the time basis (as specified in the Schedule against Journey) until they return to their normal place of residence or place of business, whichever occurs first.

The maximum duration of any one trip is as specified in the Schedule against Journey.

A Journey includes all:

- Incidental Private Travel; and/or
- private travel with respect to the Policyholder's company directors (executive and non-executive), chief financial officer, chief executive officer, chief operating officer, company secretary and their Accompanying Spouse/Partner and/or Dependent Children.

Parent means parent, parent-in-law, step-parent or such person who was the Covered Person's primary care giver as a child.

Period of Insurance means the period shown on the current Schedule or such shorter time if the Policy is terminated and for which cover applies under the Policy.

Policy means this PDS, the current Schedule and any other documents We may issue to the Policyholder that We advise will form part of the Policy (e.g. endorsements and SPDs).

Policyholder means the named individual or entity listed as the Policyholder in the Schedule with whom We enter into the Policy. They are the contracting insured.

Premium means the premium as shown in the Schedule that is payable in respect of the Policy by the Policyholder.

Professional Sport means any sport for which a Covered Person receives any fee or monetary reward as a result of their participation.

Salary means:

- (i) in the case of a salaried Employee (not otherwise covered below), their weekly pre-tax and pre-personal deductions income, excluding commission, bonuses, overtime payments and any allowances, averaged during the period of 12 months immediately preceding the date of Temporary Partial Disablement or Temporary Total Disablement (whichever is relevant) or over such shorter period as they have been employed. Where commission, bonuses, overtime payments and any allowances are made more regularly than on an annual basis and form part of the Employee's total remuneration package they will be included as part of the Employee's weekly pre-tax income; or
- (ii) in the case of a salary packaged Employee or T.E.C. (that is, total employment cost), their weekly pre-tax income derived from personal exertion (including, but not limited to wages, motor vehicle and/or travel allowances, club subscriptions and fees, housing loan or rental subsidy, clothing and meal allowances), before personal deductions (but excluding bonuses, commissions, overtime payments), averaged over the period of 12 months immediately preceding the date of Temporary Partial Disablement or Temporary Total Disablement (whichever is relevant) or over such shorter period as they have been employed. Where commission, bonuses, overtime payments and any allowances are made more regularly than on an annual basis and form part of the Employee's total remuneration package they will be included as part of the Employee's weekly pre-tax income; or
- (iii) in the case of a self-employed person, their weekly pre-tax income derived from personal exertion, after deduction of all expenses incurred in connection with the derivation of that income, averaged over the period of 12 months immediately preceding the date of Temporary Partial Disablement or Temporary Total Disablement (whichever is relevant) or over such shorter period as they have been self-employed.

Schedule means the relevant Schedule issued by Us to the Policyholder.

Serious Injury or **Serious Sickness** means a Bodily Injury or Sickness that causes Permanent Total Disablement (as defined in Section 1 of the Policy) and is certified as totally disabling by the attending Doctor. It does not mean a terminal condition diagnosed prior to the commencement date of the Journey or any chronic or other medical condition (other than mild and controlled asthma or hypertension) for which the Covered Person on whom the claim depends:

- has received daily medical treatment or medication in the 30 days immediately prior to commencement date of the Journey; or
- required hospitalisation or surgery (or was on a waiting list for hospitalisation or surgery) in the six months immediately prior to the commencement date of the Journey.

Sickness means any illness or disease of the Covered Person occurring during the Period of Insurance and while the person is a Covered Person and on a Journey, but does not include a terminal condition of the Covered Person diagnosed prior to the commencement date of the Journey.

Spouse/Partner means a Covered Person's husband or wife and includes a de-facto and/or life partner with whom a Covered Person has continuously cohabited for a period of three months or more.

War means war, whether declared or not, or any warlike activities, including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial, religious or other ends.

We/Our/Us means ACE Insurance Limited (ACE), AIG Australia Limited (AIG) and Zurich Australian Insurance Limited (Zurich), who are the insurers/issuers of the Policy.

Please note that any definitions relating to a specific cover section are located in that section. Other documents issued by Us that form the Policy may also contain general or specific definitions.

Section 1 – Personal Accident & Sickness

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy:

Personal Accident

Where a Covered Person suffers from an Event described in Parts A, B, D or E of the Table of Events that:

- (i) is as a result of a Bodily Injury which occurred while on a Journey; and
- (ii) the Event occurs within 12 months of the date of the Bodily Injury,

We will pay the corresponding benefit for that Event set out in the Table of Events, provided an amount is shown for that Event in the Schedule against Section 1, Parts A, B, D or E.

However, We will only pay the corresponding benefit for that Event set out in the Table of Events if:

- (i) the Bodily Injury; and
- (ii) the Journey,

occur during the Period of Insurance and while the person is a Covered Person.

Sickness

Where a Covered Person suffers from an Event described in Part C of the Table of Events that:

- (i) is as a result of a Sickness which occurred while on a Journey; and
- (ii) the Event occurs within 12 months of the date of the first occurrence of the Sickness,

We will pay the corresponding benefit for that Event set out in the Table of Events, provided an amount is shown for that Event in the Schedule against Section 1, Part C.

However, We will only pay the corresponding benefit for that Event set out in the Table of Events if:

- (i) the Sickness; and
- (ii) the Journey,

occur during the Period of Insurance and while the person is a Covered Person.

Section 1 Definitions

Excess Period means the period of time following an Event giving rise to a claim during and for which no benefits are payable as specified in the Schedule.

Fingers, Thumbs or Toes means the digits of a Hand or Foot.

Foot means the entire foot below the ankle.

Hand means the entire hand below the wrist.

Loss means in connection with:

- (i) a Limb, Permanent physical severance or Permanent total loss of the use of the Limb;
- (ii) an eye, total and Permanent loss of all sight in the eye;
- (iii) hearing, total and Permanent loss of hearing;
- (iv) speech, total and Permanent loss of the ability to speak;

and which in each case is caused by Bodily Injury.

Limb means the entire limb between the shoulder and the wrist or between the hip and the ankle.

Paraplegia means the Permanent loss of use of both legs and the Permanent loss of use of the whole of or part of the lower half of the body.

Permanent means having lasted 12 consecutive months and at the expiry of that period, is beyond hope of improvement.

Permanent Total Disablement means in the opinion of a Doctor:

- (i) the Covered Person's disability is Permanent; and
- (ii)
 - (a) where the Covered Person is aged 75 years or under, the Covered Person is entirely and continuously unable to engage in, perform or attend to any occupation or business for which they are reasonably qualified by reason of education, training or experience; or
 - (b) where the Covered Person is over 75 years of age and up to but not including 85 years of age, the Covered Person is entirely and continuously unable to engage in, perform or attend to any occupation or business.

Quadriplegia means the Permanent loss of use of both arms and both legs.

Temporary Partial Disablement means the Covered Person is, in the opinion of a Doctor, temporarily unable to engage in a substantial part of their usual occupation or business duties, and while the Covered Person is under the regular care of and acting in accordance with the instructions or advice of a Doctor.

Temporary Total Disablement means the Covered Person is, in the opinion of a Doctor, temporarily unable to engage in their usual occupation or business duties, and while the Covered Person is under the regular care of and acting in accordance with the instructions or advice of a Doctor.

Table of Events

Part A – Lump Sum Benefits

Cover for an Event under this part applies only if an amount for that Event is shown in the Schedule against Section 1, Part A – Lump Sum Benefits.

THE EVENTS	THE BENEFITS
Note: The following Event(s) must occur within 12 months of the date of the Bodily Injury.	The benefits shown below are a percentage of the amount shown in the Schedule against Section 1, Part A – Lump Sum Benefits.
1. Accidental Death	100%
2. Permanent Total Disablement	100%
3. Paraplegia or Quadriplegia	100%
4. Loss of sight of both eyes	100%
5. Loss of sight of one eye	100%
6. Loss of use of two Limbs	100%
7. Loss of use of one Limb	100%
8. Permanent and incurable insanity	100%
9. Loss of hearing in:	
(a) both ears	100%
(b) one ear	30%
10. Permanent Loss of use of four Fingers and Thumb of either Hand	80%
11. Permanent Loss of the lens of one eye	60%
12. Third degree burns and/or resultant disfigurement which covers more than 40% of the entire external body	50%
13. Permanent Loss of use of four Fingers of either Hand	50%
14. Permanent Loss of use of one Thumb of either Hand:	
(a) both joints	30%
(b) one joint	15%
15. Permanent Loss of use of Fingers of either Hand:	
(a) three joints	15%
(b) two joints	10%
(c) one joint	5%
16. Permanent Loss of use of Toes of either Foot:	
(a) all – one Foot	15%
(b) great – both joints	5%
(c) great – one joint	3%
(d) other than great – each Toe	1%
17. Fractured leg or patella with established non-union	10%
18. Shortening of leg by at least 5 cm	7.5%
19. Permanent partial disablement not otherwise provided for under Events 2 to 18 inclusive.	Such percentage of the lump sum benefit insured which corresponds to the percentage reduction in whole bodily function as certified by no fewer than three Doctors, one of whom will be the Covered Person's treating Doctor and the remaining two will be appointed by Us. In the event of a disagreement, the amount payable will be the average of the three opinions. The maximum amount We will pay is 75% of the lump sum benefit insured.

Part B – Bodily Injury Benefits

Surgery Benefits

Cover for an Event under this Part applies only if:

- (i) an amount is shown in the Schedule against Section 1, Part B – Bodily Injury Resulting in Surgery – Benefits;
- (ii) the surgery is undertaken outside Australia; and
- (iii) the Covered Person has a valid claim for Medical & Additional Expenses with respect to the same procedure under Section 4 – Medical & Additional Expenses & Cancellation & Curtailment Expenses.

THE EVENTS	THE BENEFITS
Note: The following surgical procedure(s) must be carried out within 12 months of the date of the Bodily Injury.	The benefits shown below are a percentage of the amount shown in the Schedule against Section 1, Part B – Bodily Injury Resulting in Surgery – Benefits.
20. Craniotomy	100%
21. Amputation of a Limb	100%
22. Fracture of a Limb requiring open reduction	50%
23. Dislocation requiring open reduction	25%
24. Any other surgical procedure carried out under a general anaesthetic	5%

Weekly Benefits

Cover for an Event under this Part applies only if an amount is shown in the Schedule against Section 1, Part B – Weekly Benefits – Bodily Injury.

THE EVENTS	THE BENEFITS
Note: The following Event(s) must occur within 12 months of the date of the Bodily Injury.	
25. Temporary Total Disablement	From the date of Temporary Total Disablement and whilst the Temporary Total Disablement persists, up to the weekly benefit shown in the Schedule against Section 1, Part B – Weekly Benefits – Bodily Injury, but not exceeding the percentage of Salary shown in the Schedule of the Covered Person's Salary.
26. Temporary Partial Disablement	From the date of Temporary Partial Disablement and whilst the Temporary Partial Disablement persists, up to the weekly benefit amount shown in the Schedule against Section 1, Part B – Weekly Benefits – Bodily Injury less any amount of current earnings as a result of working in a reduced capacity with the Policyholder, provided the combined amount does not exceed the percentage of Salary shown in the Schedule of the Covered Person's Salary. Should the Covered Person be able to return to work with the Policyholder in a reduced capacity, yet elect not to do so, then the benefit payable will be 25% of the Covered Person's Salary.

Part C – Sickness Benefits

Surgery Benefits

Cover for an Event under this Part applies only if:

- (i) an amount is shown in the Schedule against Section 1, Part C – Sickness Resulting in Surgery – Benefits;
- (ii) the surgery is undertaken outside Australia; and
- (iii) the Covered Person has a valid claim for Medical & Additional Expenses with respect to the same procedure under Section 4 – Medical & Additional Expenses & Cancellation & Curtailment Expenses.

THE EVENTS	THE BENEFITS
Note: The following surgical procedure(s) must occur within 12 months of the date of occurrence of the Sickness during a Journey.	The benefits shown below are a percentage of the amount shown in the Schedule against Section 1, Part C – Sickness Resulting in Surgery – Benefits
27. Open heart surgical procedure	100%
28. Brain surgery	100%
29. Abdominal surgery carried out under general anaesthetic	50%
30. Any other surgical procedure carried out under a general anaesthetic	5%

Weekly Benefits

Cover for an Event under this Part applies only if an amount is shown in the Schedule against Section 1, Part C – Weekly Benefits – Sickness.

THE EVENTS	THE BENEFITS
31. Temporary Total Disablement	From the date of Temporary Total Disablement and whilst the Temporary Total Disablement persists, up to the weekly benefit shown in the Schedule against Section 1, Part C – Weekly Benefits – Sickness, but not exceeding the percentage of Salary shown in the Schedule of the Covered Person's Salary.
32. Temporary Partial Disablement	From the date of Temporary Partial Disablement and whilst the Temporary Partial Disablement persists, the weekly benefit amount shown in the Schedule against Section 1, Part C – Weekly Benefits – Sickness less any amount of current earnings as a result of working in a reduced capacity with the Policyholder provided the combined amount does not exceed the percentage of Salary shown in the Schedule of the Covered Person's Salary. Should the Covered Person be able to return to work with the Policyholder in a reduced capacity, yet elect not to do so, then the benefit payable will be 25% of the Covered Person's Salary.

Part D – Fractured Bones – Lump Sum Benefits

Cover for an Event under this Part applies only if an amount is shown in the Schedule against Section 1, Part D – Fractured Bones – Lump Sum Benefits.

THE EVENTS	THE BENEFITS
Note: The following fractured bones must occur within 12 months of the date of the Bodily Injury.	The benefits shown below are a percentage of the amount shown in the Schedule against Section 1, Part D – Fractured Bones – Lump Sum Benefits
33. Neck, skull or spine (complete fracture)	100%
34. Hip	75%
35. Jaw, pelvis, leg, ankle or knee (other fracture)	50%
36. Cheekbone, shoulder or hairline fracture of skull or spine	30%
37. Arm, elbow, wrist or ribs (other fracture)	25%
38. Jaw, pelvis, leg, ankle or knee (simple fracture)	20%
39. Nose or collar bone	20%
40. Arm, elbow, wrist or ribs (simple fracture)	10%
41. Finger, Thumb, Foot, Hand or Toe	7.5%

The maximum benefit payable for any one Bodily Injury resulting in fractured bones will be the amount shown in the Schedule against Part D – Fractured Bones – Lump Sum Benefits.

In the case of an established non-union of any of the above fractures, notwithstanding the maximum benefit payable amount, We will pay an additional benefit of 5% of the amount shown in the Schedule against Section 1, Part D – Fractured Bones – Lump Sum Benefits.

A complete fracture means a fracture in which the bone is broken completely across and no connection is left between the pieces.

A simple fracture means a fracture in which there is a basic and uncomplicated break in the bone and which in the opinion of a Doctor requires minimal and uncomplicated medical treatment.

A hairline fracture means mere cracks in the bone.

Other fracture is any fracture other than a simple fracture.

Part E – Loss of Teeth or Dental Procedures – Lump Sum Benefits

Cover for an Event under this Part applies only if an amount is shown in the Schedule against Section 1, Part E – Loss of Teeth or Dental Procedures – Lump Sum Benefits.

THE EVENTS	THE BENEFITS
Note: The following loss or procedure(s) (as the case may be) must occur within 12 months of the date of the Bodily Injury.	The benefits shown below are a percentage of the amount shown in the Schedule against Section 1, Part E – Loss of Teeth or Dental Procedures – Lump Sum Benefits.
42. Loss of teeth or full capping of teeth	100%
43. Partial capping of teeth	50%

The maximum benefit payable for any one Bodily Injury resulting in loss of teeth or dental procedures will be the amount shown in the Schedule against Part E – Loss of Teeth or Dental Procedures – Lump Sum Benefits. A limit per tooth applies and will be the amount shown in the Schedule against Part E – Loss of Teeth or Dental Procedures – sub-limit.

For the purpose of Section 1, Part E, a tooth means a sound and natural permanent tooth but does not include first or milk teeth, dentures, implants and dental fillings.

Section 1 Additional Cover

Corporate Image Protection

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

any Covered Person suffers a Bodily Injury and, in Our opinion, this is likely to result in a valid claim under the Policy with respect to Section 1 Part A – Lump Sum Benefits for either:

- (i) Accidental Death (Event 1); or
- (ii) Permanent Total Disablement (Event 2),

We will reimburse the Policyholder for costs (other than the Policyholder's own internal costs) incurred:

- (i) to engage as necessary image consultants and public relations consultants; and
- (ii) to release information through the media.

Costs must be incurred within 15 days of, and directly in connection with, such Bodily Injury(ies), to protect and/or positively promote the Policyholder's business and image. The maximum amount We will pay with respect to any one Event or set of circumstances is the amount shown in the Schedule against Section 1 Additional Cover, Corporate Image Protection, and is subject to the Policyholder giving Us a signed undertaking that any amount paid to the Policyholder will be repaid to Us if, after Our payment, it is found that a valid claim did not or will not eventuate.

Dependent Child Supplement

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person suffers an Accidental Death and is survived by a Dependent Child, We will pay the Covered Person's estate a lump sum for each surviving Dependent Child subject to a maximum benefit amount with respect to any one family as shown in the Schedule against Section 1 Additional Cover, Dependent Child Supplement.

Disappearance

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person disappears in any manner whatsoever and the Covered Person's body has not been found within 12 months after the date of that disappearance, the Covered Person will be deemed to have died as a result of a Bodily Injury at the time of their disappearance.

Where the Accidental Death benefit in the Table of Events (Event 1) is payable because of a disappearance, We will only pay that benefit if the Policyholder or the legal representatives of the Covered Person's estate give Us:

- (a) a signed undertaking that the benefit will be repaid to Us if, after Our payment, it is found that the Covered Person did not die or did not die as a result of a Bodily Injury; and
- (b) where the cause of the Covered Person's disappearance is unknown, a Death Certificate from the relevant jurisdiction's Registry of Births, Deaths and Marriages or equivalent.

Condition applicable to Disappearance cover

Where the cause of the Covered Person's disappearance is unknown, the disappearance must be reported;

- (i) to the local police and a written report obtained; and
- (ii) where the disappearance occurs outside the Covered Person's Country of Residence, to the applicable embassy, consulate or other representative of the Country of Residence and a written report obtained.

Escalation of Claim Benefit

After paying a benefit under Events 25 and/or 26 or Events 31 and/or 32 continuously for 12 months and again after each subsequent period of 12 months during which a benefit is paid, the benefit will be increased by 5% per annum.

Exposure

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person is exposed to the elements as a result of an Accident and within 12 months of the Accident, the Covered Person suffers from any of the Events as a direct result of that exposure, the Covered Person will be deemed for the purpose of the Policy to have suffered a Bodily Injury on the date of the Accident.

Guaranteed Payment

If a Covered Person sustains a Bodily Injury or suffers a Sickness for which benefits are payable under Events 25 or 31, We will immediately pay 12 weeks benefits provided that the Policyholder or a Covered Person gives Us proper medical evidence from a Doctor certifying that the total period of Temporary Total Disablement will be a minimum of 26 weeks.

Independent Financial Advice

If a Covered Person sustains a Bodily Injury for which benefits are payable under Events 1–9, We will, if asked by the Policyholder, the Covered Person or representatives of the Covered Person's estate, pay, in addition to payment of the benefit, the costs of obtaining financial advice in respect of the payment of the benefit for Events 1–9 provided such advice is given by a professional financial advisor:

- (i) who is not a Close Relative or Parent of the Covered Person; and
- (ii) who, at the time the advice is given, is regulated by the Australian Securities and Investments Commission (ASIC) and is authorised by ASIC to give such financial advice.

The maximum amount We will pay is the amount shown in the Schedule against Section 1 Additional Cover, Independent Financial Advice.

Partner Retraining Benefit

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person suffers an Accidental Death or Permanent Total Disablement, We will pay, at the Policyholder's request, a lump sum towards the costs incurred for the training or retraining of the Covered Person's Spouse/Partner:

- (i) for the purpose of obtaining gainful employment; or
- (ii) to improve their employment prospects; or
- (iii) to enable them to improve the quality of care they can provide to the Covered Person

provided always that:

- (i) the Spouse/Partner is aged under 65 years at the commencement of such training;
- (ii) the training is provided by a recognised institution with qualified skills to provide such training; and
- (iii) all such expenses are incurred within 24 months from the date the Covered Person suffered the Bodily Injury for which the claim depends.

The maximum amount We will pay is the amount shown in the Schedule against Section 1 Additional Cover, Partner Retraining Benefit.

Spouse/Partner Accidental Death Benefit

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person's Spouse/Partner (who is not Accompanying the Covered Person) suffers an Accidental Death, We will pay the Covered Person a lump sum benefit. The maximum amount We will pay is the amount shown in the Schedule against Section 1 Additional Cover, Spouse/Partner Accidental Death Benefit.

Tuition or Advice Expenses

When Events 25 and/or 26 or Events 31 and/or 32 occur, for which benefits are payable, We will reimburse expenses incurred by the Policyholder or a Covered Person for tuition or advice given to a Covered Person by a licensed vocational school, provided such tuition or advice is given with Our prior written agreement and the agreement of the Covered Person's Doctor.

Reimbursement under this provision will be limited to the actual costs incurred by the Policyholder or the Covered Person up to the maximum amount per month and for the maximum number of months shown in the Schedule against Section 1 Additional Cover, Tuition or Advice Expenses.

Section 1 Conditions, Limits & Exclusions

1. If a Covered Person suffers a Bodily Injury resulting in any one of Events 2–9(a), We will not be liable under the Policy for any subsequent Bodily Injury to that Covered Person.
2. We will not pay benefits for more than one of Events 1 to 19 in respect of the same Bodily Injury.
3. We will not pay benefits:
 - (i) for Events 25 and 26 in excess of a total aggregate period of 156 weeks in respect of any one Bodily Injury, unless otherwise stated in the Schedule against Section 1;
 - (ii) for Events 31 and 32 in excess of a total aggregate period of 156 weeks in respect of any one Sickness, unless otherwise stated in the Schedule against Section 1;
 - (iii) for Events 25, 26, 31 and 32:
 - (a) during the Excess Period stated in the Schedule against Part B – Weekly Benefits – Bodily Injury or against Part C – Weekly Benefits – Sickness, calculated from the commencement of the Bodily Injury or Sickness; and
 - (b) after that Excess Period, in an amount which exceeds the applicable percentage as provided in the Schedule against Part B – Weekly Benefits – Bodily Injury or against Part C – Weekly Benefits – Sickness of the lesser of:
 - (X) the maximum Salary stated in the Schedule against Section 1, Part B Weekly Benefits – Bodily Injury or against Part C – Weekly Benefits – Sickness; or
 - (Y) the Covered Person's Salary.

For example, if:

 - (A) the applicable percentage is 75%; and
 - (B) the maximum Salary stated in the Schedule is \$2,000 x 156 weeks against Part B – Weekly Benefits – Bodily Injury or against Part C – Weekly Benefits – Sickness; and
 - (C) a Covered Person's Salary is \$1500,

then that Covered Person's maximum benefit will be limited to 75% of \$1,500 x 156 weeks = \$175,500.

 - (iv) unless the Covered Person, as soon as possible after the happening of any Bodily Injury or the manifestation of any Sickness giving rise to a claim under the Policy, procures and follows proper medical advice from a Doctor;
 - (v) for more than one of Events 25 and/or 26 or Events 31 and/or 32 that occur for the same period of time; and
 - (vi) for more than one of the surgical benefits described in Events 20 to 24 and 27 to 30, in respect of any one Bodily Injury or Sickness.
4. The amount of any benefit payable for Temporary Total Disablement and Temporary Partial Disablement will be reduced by the amount of any:
 - (i) periodic compensation benefits payable under any workers compensation or accident compensation scheme; and
 - (ii) the amount of any sick pay received, or at the direction of the Policyholder sick leave entitlement, or any disability entitlement;so that the total amount of any such benefit or entitlement together with any benefits payable under the Policy does not exceed the applicable percentage of the lesser of:
 - (a) the maximum Salary stated in the Schedule against Part B – Weekly Benefits – Bodily Injury or against Part C – Weekly Benefits – Sickness, as applicable; or
 - (b) the Covered Person's Salary.

For example, if:

- (A) the applicable percentage is 75%;
- (B) the maximum Salary stated in the Schedule is \$2,000 x 156 weeks against Part B – Weekly Benefits – Bodily Injury or against Part C – Weekly Benefits – Sickness;
- (C) a Covered Person's Salary is \$1,500;
- (D) the Covered Person is entitled to benefits of (say) \$500 per week under a compensation scheme described in 4(i) above,

then that Covered Person's maximum benefit will be limited to 75% of \$1,500 = \$1,125 less \$500 = \$625 x 156 weeks = \$97,500. (Note: this example assumes that the weekly compensation benefit of \$500 continues concurrently with payments under this Policy for 156 weeks).

5. Where, in relation to benefits payable for Events 2, 25, 26, 31 and/or 32, We do not agree with the opinion given by the Doctor ('the initial Doctor'), We have the right (at Our own expense) to have the relevant Covered Person examined by a Doctor of Our choice. If the Doctor chosen by Us forms a contrary opinion to that of the initial Doctor, We will obtain an independent Doctor's opinion which will be the opinion for the purposes of the definitions of Permanent Total Disablement, Temporary Partial Disablement and Temporary Total Disablement.
6. If as a result of Bodily Injury or Sickness, benefits become payable under Parts B or C of the Table of Events and while the Policy is in force, the Covered Person suffers a recurrence of Temporary Total Disablement or Temporary Partial Disablement from the same or a related cause or causes, the subsequent period of disablement will be deemed a continuation of the prior period unless, between such periods, the Covered Person has worked on a full-time basis for at least 6 consecutive months, in which case the subsequent period of disablement will be deemed to have resulted from a new Bodily Injury or Sickness and a new Excess Period will apply.

Where a Bodily Injury requires surgical treatment which cannot be performed within 12 months from the date of that Bodily Injury, provided the Covered Person can demonstrate that such treatment was known as necessary during that 12 month period and a Doctor certifies this, We will treat this 12 month period as a continuation of the first Bodily Injury regardless of whether the Covered Person has been able to return to work for six months, provided surgery does not occur in a period in excess of 24 months from the original date of Bodily Injury.

7. Subject to the guaranteed payments referred to in the paragraph entitled Guaranteed Payment under Section 1 Additional Cover, We will pay weekly benefits for Events 25, 26, 31 and 32 monthly in arrears. We will pay benefits for a disability which is suffered for a period of less than one week at the rate of one-fifth of the weekly benefit for each day during which disability continues.
8. All benefits which We pay under Section 1: Personal Accident & Sickness cover will be paid to the Policyholder or such person or persons and in such proportions as the Policyholder nominates, unless otherwise specified in the Policy.
9. If as a result of Bodily Injury, the Covered Person is entitled to a benefit under Events 25 and/or 26 and subsequently becomes entitled to a benefit under Events 2 or 3, all benefits payable under Events 25 and 26 will cease from the date of such entitlement.
10. The benefits payable in respect of a Dependent Child under 18 years of age is limited to the amount shown in the Schedule against Section 1, PART A – Lump Sum Benefits, Dependent Children under 18 years of age.
11. With respect to Section 1 Part A – Lump Sum Benefits, where the Lump Sum Benefit is salary linked and the Employee is not receiving a Salary, the benefit amount will be 50% of the Lump Sum benefit stated in the Schedule for the category applicable to such Employee. If cover also applies to a Spouse who is not receiving a Salary, the maximum benefit payable under Section 1 Part A – Lump Sum Benefits is limited to the amount shown in the Schedule against Section 1, PART A - Lump Sum Benefits, Spouse who is not receiving a Salary.

The benefits payable in respect of a Dependent Child under 18 years of age is limited to the amount shown in the Schedule against Section 1, PART A - Lump Sum Benefits, Dependent Children under 18 years of age.

12. Unless otherwise agreed with Us, We will not pay weekly benefits for Bodily Injury under Part B (Events 25 or 26) or for Sickness under Part C (Events 31 or 32) of the Table of Events with respect to a Covered Person over the age of 75 years. This will not prejudice any entitlement to claim benefits which has arisen on or before a Covered Person attained the age of 75 years.
13. For the purpose of Section 1, General Exclusion 3 does not apply to Bodily Injury sustained as a result of Hijack (as defined in Section 3) riot, strike or civil commotion.
14. We will not pay benefits for Events 31 and 32 with respect to any Sickness which is wholly or partly attributable to childbirth or pregnancy except for unexpected medical complications or emergencies arising therefrom.

Section 2 – Kidnap & Ransom/Extortion Cover

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy:

Cover under this Section is only available if Section 1, Part A – Lump Sum Benefits is also selected and shown in the Schedule.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey; and
 - (c) travelling for the purposes of business,

the Covered Person is Kidnapped or allegedly Kidnapped, We will reimburse the Policyholder for Extortion/Ransom Monies paid up to the amount shown in the Schedule against Section 2.

We will also pay the Policyholder for:

1. loss due to the destruction, disappearance, seizure or usurpation of Extortion/Ransom Monies while being delivered to a person demanding those monies by anyone who is authorised by the Policyholder or a Covered Person to have custody thereof provided, however, that the Kidnap or Extortion which gave rise to the delivery is insured hereunder;
2. the amount paid by the Policyholder for Expenses resulting directly from a Kidnap or Extortion occurring during the Period of Insurance and while the person was a Covered Person;
3. the reasonable costs of retaining independent security consultants for the exclusive function of investigating the Kidnap, negotiating the release of the Covered Person, paying any ransom or recovery of the Covered Person provided that We have given Our prior written consent to the use of such consultants; and
4. the cost of trauma counselling which is provided by a registered psychologist or psychiatrist (who is not a Covered Person or their Close Relative) to a Covered Person who was the victim of a Kidnap, where the treatment is provided outside Australia and certified as necessary by a medical practitioner for the wellbeing of the Covered Person. The maximum amount We will pay per visit and per Covered Person is shown in the Schedule against Section 2 Kidnap & Ransom/Extortion Cover – Trauma counselling.

The payments in paragraphs 1, 2, 3 and 4 above include, and are not in addition to, the benefit amount shown in the Schedule against Section 2.

Section 2 Definitions

Expenses means any of the following:

1. reasonable payments made by the Policyholder to a person who provided information which led to the arrest of the individual(s) responsible for a Kidnap or Extortion insured hereunder;
2. reasonable and customary loan costs incurred by the Policyholder from a financial institution providing money to be used for payment of Extortion/Ransom Monies;
3. reasonable and customary travel and accommodation costs incurred by the Policyholder or a Covered Person as a result of a Kidnap or Extortion;

4. Salary paid by the Policyholder to a Covered Person or on behalf of a Covered Person who is the victim of a Kidnap or Extortion up to:
 - (i) 30 days after the release of the Covered Person from a Kidnap; or
 - (ii) discovery of the death of the Covered Person; or
 - (iii) 120 days after the Policyholder receives the last credible evidence that the Covered Person is still alive; or
 - (iv) 60 months from the date of the Kidnap, if the victim has not been released.
5. payments made by the Policyholder for a temporary replacement Employee hired to perform the duties of a Kidnap victim for the duration of a Kidnap and upon release, for a further 30 day period but does not include payments made more than 60 months from the date of the Kidnap;
6. personal financial loss suffered by the Covered Person(s);
7. travel costs of a Covered Person who is the victim of a Kidnap to join their immediate family upon their release and the travel costs of an Employee to replace the Kidnap victim. Travel costs will be at economy fare and will be applied once per Covered Person and replacement person;
8. reasonable and customary fees and expenses of a qualified interpreter to assist the Policyholder or a Covered Person in the event of a Kidnap or Extortion; and
9. any other reasonable and customary expenses incurred by the Policyholder with Our prior approval in resolving a Kidnap or Extortion insured hereunder.

Extortion means intimidation by a threat or series of threats to Kidnap or cause Bodily Injury.

Extortion/Ransom Monies means a consideration paid for the return of a Kidnap victim or consideration paid to terminate or end an Extortion, to a person believed to be responsible for the Kidnap or Extortion and includes but is not limited to cash, securities, marketable goods or services, property or monetary instruments.

Kidnap means the illegal abduction and holding hostage of one or more Covered Persons for the purpose of demanding Extortion/Ransom Monies as a condition of release. A Kidnap in which more than one Covered Person is abducted will be considered a single Kidnap.

Section 2 Conditions

Confidentiality

The Policyholder and each Covered Person will make a reasonable effort not to disclose the existence of this insurance.

Section 2 Exclusions

We are not liable for:

1. any loss resulting from the surrender of money or property as the result of a face-to-face encounter involving the use or threat of force or violence unless such monies or property are Extortion/Ransom Monies being stored or transported for the purpose of paying an Extortion or Kidnap demand;
2. any loss from the Kidnap or Extortion of a Covered Person permanently residing or staying for more than 180 consecutive days in the country where the Kidnap or Extortion occurs; or
3. any fraudulent or dishonest act committed by the Policyholder, a Covered Person or any person the Policyholder authorises to have custody of Extortion/Ransom Monies.

Section 3 – Hijack & Detention

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

Hijack

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person is forcibly Detained for more than 12 hours as a direct result of a Hijack, We will pay the Policyholder the daily amount shown in the Schedule against Section 3. We will continue to pay the Policyholder the daily amount shown in the Schedule against Section 3, for each 24 hour period of continued Detention thereafter, up to the maximum amount and period shown in the Schedule against Section 3.

Detention

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person is Detained, by any government, state or other lawful authority for any reason (other than those circumstances specifically excluded under Exclusion 1 below), We will pay the daily amount shown in the Schedule against Section 3, for each 24 hour period of continued Detention up to the maximum amount and period shown in the Schedule against Section 3.

In the event of a Covered Person incurring their own legal costs as a result of being Detained, We will reimburse the Covered Person for such legal costs up to the maximum amount shown in the Schedule against Section 3 – Legal Costs.

Section 3 Definitions

Detention/Detained means restraint by way of custody or confinement against the Covered Person's will.

Hijack means the seizing of control of a Transport on which the Covered Person is a passenger.

Section 3 Exclusion

1. We are not liable for any Detention attributable to the Covered Person breaking the law of any country or state.

Section 4 – Medical & Additional Expenses & Cancellation & Curtailment Expenses

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

Medical & Additional Expenses

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person Accidentally dies or suffers a Bodily Injury or Sickness, We will reimburse the Policyholder, the Covered Person or the Covered Person's estate, as applicable, for Medical and Additional Expenses for a period of up to 24 months from the date of Bodily Injury or Sickness, up to the amount shown in the Schedule against Section 4 – Medical & Additional Expenses.

Cancellation & Curtailment Expenses

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person necessarily incurs reasonable additional or forfeited travel, hotel or out-of-pocket expenses (including the use of Frequent Flyer or similar rewards points, as described in Section 6) as a result of the unexpected Accidental Death, Serious Injury or Serious Sickness of a Close Relative, Parent, business partner or travelling companion of a Covered Person or any other unforeseen circumstances outside the control of the Policyholder or the Covered Person, We will reimburse the Policyholder for those expenses up to the amount shown in the Schedule against Section 4 – Cancellation & Curtailment Expenses.

Financial Insolvency

If the Policyholder or the Covered Person necessarily incurs reasonable additional expenses due to the refusal, failure or inability of any person, company or organisation, including but not limited to any airline, other transportation provider, hotel, car rental agency, tour or cruise operator, travel wholesaler, booking agent or other provider of travel or tourism related services, facilities or accommodation, to provide services, facilities or accommodation, by reason of that person's, company's or organisation's financial default, We will reimburse the Policyholder or the Covered Person for those expenses up to the amount shown in the Schedule against Section 4 – Financial Insolvency.

Provided that:

1. the travel or accommodation was booked through a licensed travel agent in Australia;
2. if payment was made by credit card, the Policyholder or Covered Person has contacted the relevant credit card provider requesting the transaction to be reversed. Documented proof of such efforts and the outcome are required to support the Policyholder's or Covered Person's claim; and
3. the Policyholder and/or Covered Person must first seek compensation from any other available source and any compensation provided will be deducted from the claim. The Policyholder or Covered Person must provide Us with documented proof of such efforts and the outcome.

Exclusions applicable to Financial Insolvency cover:

We will not pay for:

1. losses arising from the insolvency of any travel agent, tour wholesaler, tour operator or booking agent where the loss is covered under the Travel Compensation Fund. This will not prejudice any entitlement to claim benefits over the compensation provided by the Travel Compensation Fund;
2. losses due to the insolvency of any travel agent, tour operator, accommodation provider, airline or other carrier, car rental agency or other travel or tourism provider if, at the time of booking the Journey the provider was insolvent, or a reasonable person would have reason to expect the provider might become insolvent; or
3. losses recoverable from any other source.

Section 4 Definitions

Medical and Additional Expenses means:

- (i) all reasonable costs necessarily incurred outside the Covered Person's Country of Residence for hospital, surgical or other diagnostic or remedial treatment given or prescribed by a Doctor and additional expenses or forfeited travel, hotel or out-of-pocket expenses, reasonably and necessarily incurred as a direct result of the Covered Person's Accidental Death, Bodily Injury or Sickness;
- (ii) expenses related to the evacuation of the Covered Person as a direct result of their Bodily Injury or Sickness, including necessary expenses incurred for qualified medical staff to accompany the Covered Person, provided such evacuation is recommended by a Doctor;
- (iii) reasonable travel and accommodation expenses of two Close Relatives, Parent(s) or travelling companions of the Covered Person who, as a result of the Covered Person's Bodily Injury and Sickness, are required to travel to or remain with the Covered Person on written medical advice;
- (iv) all expenses incurred in repatriating the Covered Person to the most suitable hospital or to the Covered Person's home address provided that such repatriation is as a direct result of them suffering a Bodily Injury or Sickness and is necessary on medical advice and is organised by ACE Assistance in accordance with Section 5 of the Policy;
- (v) reasonable funeral expenses incurred outside the Covered Person's Country of Residence for the burial or cremation of the Covered Person or costs (excluding funeral and interment costs) incurred in transporting the Covered Person's body or ashes and personal effects back to a place nominated by the legal representative of the Covered Person's estate, as a direct result of the Covered Person's death. The maximum amount We will pay is the amount shown in the Schedule against Section 4 – Medical & Additional Expenses – Reasonable funeral expenses;
- (vi) ongoing medical expenses incurred after the Covered Person's return to Australia (unless specifically excluded under Exclusion 3 below), for a period of up to 24 months, as a direct result of their Bodily Injury or Sickness. If a Covered Person returns to their Country of Residence (other than Australia) then We will continue to cover their expenses for a period of up to 24 months. The maximum amount We will pay is the amount shown in the Schedule against Section 4 – Medical & Additional Expenses – Ongoing medical expenses; and
- (vii) expenses incurred to repair, replace or adjust dentures, provided those expenses are as a direct result of the Covered Person's Bodily Injury. The maximum amount We will pay is the amount shown in the Schedule against Section 4 – Medical & Additional Expenses – Dentures.

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Section 4 Extensions

Continuous Worldwide Bed Confinement

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person is confined to bed by a Doctor for a period in excess of 48 hours, We will pay the Covered Person a daily amount for each day of bed confinement up to a maximum number of consecutive days. The daily amount and maximum number of consecutive days is shown in the Schedule against Section 4 – Continuous Worldwide Bed Confinement.

HIV/AIDS contracted through Bodily Injury or Accident

Notwithstanding Exclusion 6 of Section 4 Exclusions, if:

- (i) during the Period of Insurance; and
- (ii) while a person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person is infected with the Human Immunodeficiency Virus (HIV) or any variation or acquires Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC) as a result of a Bodily Injury or an Accident, We will pay the reasonable Medical and Additional Expenses incurred by the Covered Person during the Period of Insurance. The maximum amount We will pay is the amount shown in the Schedule against Section 4 – HIV/AIDS contracted through Bodily Injury or Accident.

We will only pay Medical and Additional Expenses under this Extension where the Covered Person is positively diagnosed within 90 days from the date of the Injury or accident as infected with HIV or suffering from AIDS.

Trauma Counselling Benefit

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person suffers psychological trauma as a result of being a victim of, or eye witnessing a criminal act such as sexual assault, rape, murder, violent robbery or an act of terrorism, We will pay for the cost of trauma counselling which is provided by a registered psychologist or psychiatrist (who is not a Covered Person or their Close Relative or Parent) provided the treatment is certified by a Doctor as necessary for the wellbeing of the Covered Person.

The maximum amount We will pay is the amount shown in the Schedule against Section 4 – Trauma Counselling Benefit.

Section 4 Exclusions

We will not pay any expenses:

1. incurred where a Journey is undertaken against the advice of a Doctor or when the Covered Person is unfit to travel or if the purpose of the Journey is to enable the Covered Person to seek medical attention for a pre-existing medical condition;
2. incurred after the period of 24 months from the date the Covered Person suffers a Bodily Injury or Sickness;
3. incurred as a result of treatment or services rendered within Australia for which a benefit is paid or would be payable by:
 - (i) Medicare in accordance with the *Health Insurance Act 1973 (Cth)*;
 - (ii) any workers' compensation law; or
 - (iii) any transport accident law; or
 - (iv) any government sponsored fund, plan, or medical benefit scheme, or any other insurance policy required to be effected by or under a law;
4. which would contravene the applicable laws of the country in which the medication or medical treatment is being administered;
5. recoverable by the Policyholder and/or a Covered Person from any other source;
6. incurred for any medication or ongoing treatment for a condition which commenced prior to the commencement of a Journey and which medication or treatment the Covered Person has been advised to continue during travel;
7. is or results from or is a complication of infection with Human Immunodeficiency Virus (HIV) or any variance including Acquired Immune Deficiency Syndrome (AIDS) and AIDS Related Complex (ARC), except in respect of Medical and Additional Expenses covered under the Section 4 Extension, HIV/AIDS contracted through Bodily Injury or Accident;
8. incurred for routine medical, optical or dental treatment or consultation. Dental treatment is limited to emergency only and must be certified as necessary by a Doctor or dentist;
9. arising directly or indirectly out of:
 - (i) cancellation, curtailment or diversion of scheduled public transport services, including by reason of strikes or other industrial action, if there had been warning before the date the Journey was booked that such events were likely to occur;
 - (ii) carrier caused delays where the expenses are recoverable from the carrier;
 - (iii) any business or financial or contractual obligations of the Policyholder, the Covered Person or any other person;
 - (iv) disinclination on the part of the Covered Person or of any other person to travel;
 - (v) the inability of any tour operator or wholesaler to complete arrangements for any Journey or tour due to a deficiency in the required number of persons to commence any Journey or tour.

Section 5 – ACE Assistance

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person requires emergency assistance, the Covered Person should immediately contact ACE Assistance on the telephone number provided (+61 2 8907 5995) by reverse charge if required and available. If ACE Assistance is selected as included in the Schedule against Section 5, ACE Assistance will provide the Covered Person with such emergency assistance that they consider necessary.

Emergency assistance may include any one or more of the following services but only if they are considered necessary and organised by ACE Assistance:

1. repatriation, which will be organised by ACE Assistance using the most appropriate method including, if necessary, the use of air services. Repatriation will be to the most suitable hospital or to the Covered Person's home address;
2. payment of evacuation expenses, including necessary expenses incurred for qualified medical staff to accompany a Covered Person;
3. payment of other emergency assistance expenses;
4. worldwide 24 hour telephone access to the ACE Assistance network;
5. emergency travel assistance;
6. emergency medical evacuation;
7. medically supervised repatriation;
8. assistance in replacing a lost or stolen passport;
9. legal assistance;
10. interpreter access and referral;
11. compassionate visit if travelling alone and hospitalised for more than a week;
12. assistance in tracing delayed or lost luggage; and
13. payment of approved medical services by claims process or redirection of hospital accounts to Us.

Section 5 Conditions

1. ACE Assistance must be promptly informed of any potential claim under this Section.
2. the Policyholder and/or the Covered Person must not attempt to resolve problems encountered without advising ACE Assistance as this may prejudice reimbursement of expenses.
3. if assistance is provided in good faith to any person not insured under the Policy, the Policyholder must reimburse Us for all costs incurred.
4. any undertaking/arrangements on behalf of the Covered Person who does not make contact with and/or prejudices Our rights will not be considered. We will consider cover, however, if the Covered Person for reasons beyond their control could not contact ACE Assistance and had no alternative but to make their own arrangements, provided We are satisfied the arrangements made were medically appropriate and necessary in view of the Covered Person's Serious Injury or Serious Sickness at the time.

Section 6 – Loss of Deposits

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

Travel & Accommodation Expenses

If:

- (i) during the Period of Insurance; and
- (ii) while the relevant person is a Covered Person,

the Policyholder or the Covered Person incurs loss of Travel and Accommodation Expenses paid in advance of a proposed Journey because the Journey is shortened or cancelled due to any Unforeseen Circumstance, We will reimburse the Policyholder or the Covered Person for those expenses up to the amount shown in the Schedule against Section 6.

Frequent Flyer Points

If:

- (i) during the Period of Insurance; and
- (ii) while the person is a Covered Person,

the Policyholder or the Covered Person purchases an airline ticket (or incurs other travel and/or accommodation expenses) using Frequent Flyer or similar reward points and the airline ticket (or other travel and/or accommodation expenses) is subsequently cancelled due to any Unforeseen Circumstance and the loss of such points cannot be recovered from any other source, We will pay the Policyholder or the Covered Person the retail price for that ticket (or the amount of the other travel and/or accommodation expenses) at the time it was issued not exceeding the amount shown in the Schedule against Section 6.

Financial Insolvency

If the Policyholder or the Covered Person incurs loss of Travel and Accommodation Expenses paid in advance due to the refusal, failure or inability of any person, company or organisation, including but not limited to any airline, other transportation provider, hotel, car rental agency, tour or cruise operator, travel wholesaler, booking agent or other provider of travel or tourism related services, facilities or accommodation, to provide services, facilities or accommodation, by reason of that person's, company's or organisation's financial default, We will reimburse the Policyholder or the Covered Person for those expenses up to the amount shown in the Schedule against Section 4 – Financial Insolvency.

Provided that:

1. the travel or accommodation was booked through a licensed travel agent in Australia;
2. if payment was made by credit card, the Policyholder or Covered Person has contacted the relevant credit card provider requesting the transaction to be reversed. Documented proof of such efforts and the outcome are required to support the Policyholder's or Covered Person's claim; and
3. the Policyholder and/or Covered Person must first seek compensation from any other available source and any compensation provided will be deducted from the claim. The Policyholder or Covered Person must provide Us with documented proof of such efforts and the outcome.

Exclusions applicable to Financial Insolvency cover:

We will not pay for:

1. losses arising from the insolvency of any travel agent, tour wholesaler, tour operator or booking agent where the loss is covered under the Travel Compensation Fund. This will not prejudice any entitlement to claim benefits over the compensation provided by the Travel Compensation Fund;
2. due to the insolvency of any travel agent, tour operator, accommodation provider, airline or other carrier, car rental agency or other travel or tourism provider if, at the time of booking the Journey the provider was insolvent, or a reasonable person would have reason to expect the provider might become insolvent; or
3. losses recoverable from any other source.

Section 6 Definitions

Travel and Accommodation Expenses means any amount that the Policyholder or the Covered Person has paid or is liable to pay by reason of contract, for the supply of transportation of any type, accommodation, food or conference/seminar facilities, which neither the Policyholder nor the Covered Person is able to use as a result of any Unforeseen Circumstance.

Unforeseen Circumstance means:

- (i) the Covered Person sustains a Bodily Injury or contracts a Sickness which results in the Covered Person being certified by a Doctor as unfit to commence the Journey;
- (ii) a Close Relative, Parent, travelling companion or business associate of the Covered Person dies unexpectedly, sustains a Serious Injury or contracts a Serious Sickness and a Doctor certifies that the presence of the Covered Person is necessary for the health of that Close Relative, Parent, travelling companion or business associate;
- (iii) the Covered Person's residence or business suffers major loss or damage; or
- (iv) any other unforeseen circumstance outside the control of the Policyholder or the Covered Person not otherwise excluded under the Policy.

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Section 6 Exclusions

We will not pay any expenses attributable to:

1. cancellation, curtailment or diversion of scheduled public transport services, including by reason of strikes or other industrial action, if there has been warning before the date the Journey or tour was booked that such events were likely to occur;
2. carrier-caused delays where the expenses are recoverable from the carrier;
3. any business, financial or contractual arrangements or obligations of the Policyholder, a Covered Person or any other person;
4. any change of plans or disinclination on the part of a Covered Person or of any other person to travel; or
5. the inability of any tour operator or wholesaler to complete arrangements for any Journey or tour due to a deficiency in the required number of persons to commence any Journey or tour.

Section 7 – Baggage/Business Property, Electronic Equipment, Money/Travel Documents & Deprivation of Baggage

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

Baggage/Business Property, Electronic Equipment & Money/Travel Documents

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person sustains loss of, theft of or damage to Baggage/Business Property, Electronic Equipment or Money/Travel Documents, We will indemnify the Policyholder or the Covered Person in respect of such loss or damage up to the corresponding amount shown in the Schedule against Section 7 Baggage/Business Property, Electronic Equipment & Money/Travel Documents.

Deprivation of Baggage

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person's Baggage is delayed, misdirected or temporarily mislaid by any transport carrier for more than eight consecutive hours, We will reimburse any reasonable expenses incurred by a Covered Person in purchasing essential replacement clothing and toiletries up to the amount shown in the Schedule against Section 7 – Deprivation of Baggage.

If after a further seventy-two hours the Covered Person's Baggage remains delayed, misdirected or temporarily mislaid, and the Covered Person has at least one week of their Journey remaining, We will reimburse any further reasonable expenses incurred by a Covered Person in purchasing essential replacement clothing and toiletries up to 50% of the amount shown in the Schedule against Section 7 – Deprivation of Baggage.

Conditions applying to Deprivation of Baggage cover

- (i) The maximum that We will reimburse under this benefit is 150% of the amount shown in the Schedule against Section 7 – Deprivation of Baggage.
- (ii) In the event that any amount is reimbursed under this Deprivation of Baggage cover for a replacement item, that amount will be deducted from claims accepted against Baggage/Business Property, Electronic Equipment and Money/Travel Documents (above) for the corresponding item which was replaced.

Section 7 Definitions

Baggage means personal property belonging to the Policyholder or a Covered Person or for which a Covered Person is legally responsible, taken on the Journey or acquired during the Journey but does not include household furniture or effects unless acquired during the Journey.

Business Property means office equipment and the replacement value of plans, business papers, specifications, manuscripts and stationery.

Documents means papers or other items containing references to the Covered Person's identity including, but not limited to the following:

- passport;
- drivers licence;
- credit, debit and bank cards;
- share certificates;
- birth certificate;
- bank account details;
- building society account details;
- insurance documents – motor, home, travel and life;
- utilities account details; and
- membership details of professional bodies.

Electronic Equipment means personal/business computers, palm pilots, mobile phones and other items of a similar nature deemed by Us to be electronic but does not include digital cameras.

Identity Theft means the theft of personal data or Documents relating to Covered Person's identity which results in their fraudulent use to obtain money, goods or services.

Money/Travel Documents means coins, bank notes, postal and money orders, travellers and other cheques, letters of credit, automatic teller machine cards, passports, travel tickets, visas, entry permits, credit cards, petrol and other coupons and other similar documents in the possession or control of the Covered Person.

Section 7 Additional Cover

Coins & Bank Notes

In respect of coins or bank notes held for the purpose of a Journey, cover commences at the time of collection from a financial institution or 72 hours prior to commencement of the Journey, whichever is the later and continues for 72 hours after termination of the Journey or until deposit at a financial institution, whichever occurs first.

Identity Theft Extension

If:

- (i) during the Period of Insurance; and
- (ii) while the person was:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person is the victim of Identity Theft, We will indemnify the Covered Person for reasonable legal expenses incurred with Our consent, up to the amount shown in the Schedule against Section 7, Additional Cover – Identity Theft Extension:

- (i) to pursue closure of any disputed areas, accounts or credit facilities;
- (ii) to re-submit applications for loans, grants, other credit or debit instruments that are rejected solely as a result of the lender receiving incorrect information as the result of Identity Theft;
- (iii) to notarise affidavits or other similar documents, amending or rectifying records in regard to the Covered Person's true name or identity as the result of Identity Theft;
- (iv) to defend any suit brought against the Covered Person by a creditor or collection agency or other entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as the result of Identity Theft; or
- (v) to remove any civil judgment wrongfully entered against the Covered Person as a result of Identity Theft.

Keys & Locks

If:

- (i) during the Period of Insurance; and
- (ii) while the person was:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person loses their identification and keys at the same time, We will reimburse the Covered Person for the costs incurred for the replacement of keys and locks to their home and/or motor vehicle. The maximum amount We will pay is the amount shown in the Schedule against Section 7, Additional Cover – Keys & Locks.

Section 7 Conditions

1. The Covered Person must take all reasonable precautions for the safety and supervision of Baggage/Business Property, Electronic Equipment or Money/Travel Documents.
2. If We pay under this Section in respect of any property, We are entitled to take and keep possession of such property and to deal with it in any manner We see fit.
3. In respect of articles 15 years old or less, We have the option of either:
 - (i) repairing or replacing the articles with articles in the same condition but not with articles better or more extensive than the articles were when new; or
 - (ii) paying the cost of such articles.
4. In respect of loss arising from the unauthorised or fraudulent use of Money/Travel Documents, the maximum amount We will indemnify the Policyholder or the Covered Person is shown in the Schedule against Section 7 – Fraudulent use of Money/Travel Documents.
5. The maximum amount We will pay for any one, any set or any pair of items is the amount shown in the Schedule against Section 7, Limit any one item, unless otherwise specified in the Schedule.
6. We will not pay more than the amount shown in the Schedule against Section 7.
7. Where the Electronic Equipment is a mobile phone, We will only pay the cost of the replacement phone.
8. An Excess will apply for each claim for the loss of, theft of or damage to Electronic Equipment. That Excess is the Excess specified in the Schedule against Section 7 – Electronic Equipment.

Section 7 Exclusions

We are not liable for any loss or damage and will not pay any expenses:

1. in respect of Baggage/Business Property, Electronic Equipment or Money/Travel Documents:
 - (i) not reported to either the police or the transport carrier so that a written report is not available at the time of making a claim;
 - (ii) due to confiscation by Customs or any other lawful authority where the Policyholder's and/or Covered Person's use and/or possession of such item/s is unlawful; or
 - (iii) recoverable from any other source.
2. in respect of Baggage/Business Property and Electronic Equipment:
 - (i) shipped under any freight agreement or sent by postal or courier services;
 - (ii) to vehicles or their accessories (except keys);
 - (iii) to any goods intended for trade or sale;
 - (iv) to any electronic data or software caused by:
 - (a) activity of moth, vermin or rodents, wear and tear, atmospheric or climate conditions or gradual deterioration;
 - (b) mechanical or electrical failure;
 - (c) any process of cleaning, restoring, repairing or alteration; or
 - (d) scratching or breaking of fragile or brittle articles, if as a result of negligence of the Policyholder and/or Covered Person;

3. in respect of Electronic Equipment and digital cameras:
 - (i) where theft or attempted theft occurs while such equipment is unattended, unless securely locked inside a building or securely locked out of sight inside a motor vehicle (unless the Policyholder and/or the Covered Person has no option other than to leave the equipment unattended due to an emergency medical, security or evacuation situation); or
 - (ii) while carried in or on any aircraft, aerial device, bus, waterborne vessel or craft, unless they accompany the Covered Person as personal cabin baggage. Cover will apply if the air carrier has specifically instructed the Policyholder or Covered Person that Electronic Equipment must be placed in the hold and no prior instruction or advice regarding this requirement was available to the Policyholder or Covered Person prior to checking in.
4. in respect of Money/Travel Documents:
 - (i) arising out of devaluation of currency or shortages due to errors or omissions during monetary transactions;
 - (ii) of cheques, bank notes, postal and money orders, credit cards, or coupons unless their loss or damage is reported to the issuing authority as soon as reasonably practicable after the discovery of that loss or damage; or
 - (iii) loss of coins and bank notes in excess of the amount allowed by any applicable currency regulations at the time of the commencement of the Journey.
5. in respect of Identity Theft for:
 - (i) any item which has been purchased by fraudulent use of the Covered Person's identity;
 - (ii) any loss arising from any business pursuits or the theft of a commercial identity;
 - (iii) any loss or liability arising from the use of any motor vehicle bought, leased or hired by fraudulent use of the Covered Person's identity, where civil or criminal action is, or has been, taken against the Covered Person;
 - (iv) authorised charges that the Covered Person has disputed based on the quality of goods or services;
 - (v) theft of the Covered Person's identity by a family member who lives with the Covered Person at the Covered Person's home address;
 - (vi) any costs or expenses in connection with any claim not agreed in advance by Us;
 - (vii) authorised account transactions or trades that the Covered Person has disputed, or is disputing, based on the execution (or non-execution) of electronic transfers, trades or other verbal or written instructions or directions;
 - (viii) any incident of Identity Theft that does not occur within 12 months from the date the Covered Person's Documents were stolen; or
 - (ix) an incident of Identity Theft for which the Covered Person has not lodged a report with the Police and/or cannot provide a copy of the Police report.

Section 8 – Alternative Employee/Resumption of Assignment Expenses

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If, during the Period of Insurance, the Policyholder incurs Alternative Employee Expenses or Resumption of Assignment Expenses:

- (i) as the direct result of a Covered Person dying or suffering a Serious Injury or Serious Sickness while on a Journey and while the person was a Covered Person; or
- (ii) a claim being admitted under Cancellation/Curtailment Expenses in Section 4,

We will pay the Policyholder such expenses up to the amount shown in the Schedule against Section 8.

Section 8 Definitions

Alternative Employee Expenses means reasonable expenses necessarily incurred in sending a substitute person to complete the business activities of the Covered Person. Expenses will be limited to a business class return air flight (or economy if that was the class of ticket used by Covered Person on the original Journey) and other essential expenses incurred in transportation of the substitute person.

Resumption of Assignment Expenses means all reasonable and necessary expenses incurred in returning the Covered Person to re-commence an assignment within 90 days of returning to Australia or their Country of Residence as a result of the claim being admitted under Cancellation/Curtailment Expenses in Section 4. Expenses will be limited to a business class air flight (or economy if that was the class of ticket used by the Covered Person on the original Journey) and other essential expenses incurred in such transportation of the Covered Person.

Section 8 Exclusions

We will not pay any expenses:

1. where the Covered Person undertakes a Journey against the advice of a Doctor; or
2. which the Policyholder or the Covered Person had paid or budgeted for before the commencement of a Journey.

Section 9 – Personal Liability

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person becomes legally liable to pay damages in respect of either Bodily Injury to any person or loss of or damage to property and such injury or damage is caused by an Accident, We will indemnify the Covered Person against such damages up to the amount shown in the Schedule against Section 9.

We will also pay all legal costs and expenses which are recoverable by a Claimant from the Covered Person and/or incurred with Our written consent in the investigation or defence of any claim, in addition to the amount shown in the Schedule against Section 9.

Section 9 Additional Cover

If:

- (i) during the Period of Insurance; and
- (ii) while the person is a Covered Person,

the Covered Person is required to attend court in connection with an event that has resulted in a valid claim under Section 9 – Personal Liability, We will pay an amount for each day the Covered Person attends court, up to a maximum amount. The maximum amount We will pay is the amount shown in the Schedule against Section 9 – Additional Cover – Court Attendance.

Section 9 Conditions

1. No admission, offer, promise, payment or indemnity may be made without Our written consent.
2. We are entitled to take over and conduct in the Covered Person's name the defence or settlement of any claim and We will have full discretion in the handling of any proceedings.
3. We may at any time pay to the Covered Person, in connection with any claim or series of claims arising from the one original cause, the amount shown in the Schedule against Section 9 (after deduction of any amount(s) already paid as compensation) or any lesser amount for which such claim(s) can be settled and upon such payment being made, We will have no further liability in connection with such claim(s), except for the payment of costs and expenses recoverable or incurred prior to the date of such payment.

Section 9 Exclusions

We are not liable in respect of:

1. injury to any person arising in the course of their employment, contract of service or apprenticeship with the Policyholder;
2. loss of or damage to property belonging to or held in trust by or in the custody or control of the Policyholder, a Covered Person or any of the Policyholder's Employees;
3. injury, loss or damage caused directly or indirectly by, through or in connection with, any mechanically propelled vehicle (with the exception of golf buggies and motorised wheelchairs), aircraft or watercraft, when a Covered Person is the owner, driver or pilot thereof or has it in their care, custody or control or where the pilot is an Employee or agent of the Policyholder or a Covered Person;
4. injury, loss or damage to property caused by or arising from:
 - (i) the nature of products sold by the Policyholder or a Covered Person;
 - (ii) advice furnished by the Policyholder or by a Covered Person;
 - (iii) the conduct of the Policyholder's business, trade or profession;
5. liability assumed under contract unless such liability would have arisen in the absence of such contract; or
6. aggravated, exemplary or punitive damages or the payment of any fine or penalty.

Section 10 – Rental Vehicle Excess Waiver

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person rents or hires a Rental Vehicle and:

- (i) that Rental Vehicle is involved in a collision while under the control of the Covered Person; or
- (ii) the Rental Vehicle is stolen or damaged,

We will reimburse the Policyholder or the Covered Person for the Rental Vehicle Excess chosen but only up to the amount shown in the Schedule against Section 10.

Section 10 Definitions

Rental Vehicle means a rented sedan, station wagon, hatchback, motorcycle or four-wheel drive (4WD) and other non-commercial vehicle rented or hired from a licensed motor vehicle rental/hire company for the sole purpose of carrying a Covered Person on public roadways and does not include any other vehicle or use.

Rental Vehicle Excess means the amount the Policyholder or Covered Person is legally liable to pay under the Rental Vehicle hiring agreement if the Rental Vehicle is involved in an accident or is stolen during the rental period.

Section 10 Additional Cover

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person uses their personal motor vehicle for business purposes and is involved in an accident while they are in control of the vehicle, We will:

- (i) reimburse an amount up to and including the prescribed excess or claim below the excess that would have been payable under the Covered Person's comprehensive motor vehicle policy of insurance relative to the damaged vehicle and which is not legally recoverable from any other source; and/or
- (ii) reimburse any substantial cumulative loss of any no claim allowance not otherwise recoverable which may occur resulting from accidental damage to the Covered Person's vehicle; and/or
- (iii) pay a weekly benefit as shown in the Schedule against Section 10 Additional Cover – Motor vehicle hire, to the Covered Person for the cost of hiring a similar motor vehicle in the event that they have lost total use of the damaged vehicle as a result of an accident.

The maximum amount We will pay in respect to any one accident is:

- (i) for (i) and (ii) above as a combined maximum limit, the amount shown in the Schedule against Section 10 Additional Cover – Excess and/or no claim allowance reimbursement; and
- (ii) for (iii) above, in addition to any claims made under (i) and/or (ii), the amount shown in the Schedule against Section 10 Additional Cover – Motor vehicle hire.

Section 10 Conditions

1. As part of the arrangement for the rent or hire of the Rental Vehicle, the Covered Person must effect all compulsory motor vehicle insurance against loss or damage to the Rental Vehicle during the rental period which is offered by the rental organisation. Provided the compulsory insurance has been effected, there is no additional requirement under the Policy to purchase excess buy back.
2. In the event of a claim regarding a Covered Person's personal motor vehicle, the Covered Person must supply Us with:
 - (i) receipts (or copies) for the amount of the claim or excess paid and the name of the firm which carried out the repairs on the Covered Person's personal motor vehicle;
 - (ii) a letter from the Covered Person's motor vehicle insurer stating the amount of the excess paid and the amount of any no claim bonus forfeited. Note: Stating that the no claim bonus has dropped from e.g. 80% to 60% is insufficient. The actual amount of money involved is also required, including a copy of the last insurance renewal notice applicable to the Covered Person; and
 - (iii) details of the total cost of the repairs.

Section 10 Exclusions

We will not be liable for any claims arising from:

1. any use of the Rental Vehicle or the Covered Person's personal motor vehicle that is in violation of the terms of the rental agreement or applicable comprehensive motor vehicle insurance policy;
2. the Covered Person being in charge of a Rental Vehicle or their personal motor vehicle while under the influence of alcohol or a drug not prescribed by a Doctor or with a percentage of alcohol in their breath, blood or urine in excess of that permitted by law at the time and place of the incident;
3. the illegal or criminal use of a Rental Vehicle or the Covered Person's personal motor vehicle by the Policyholder or a Covered Person;
4. the use of the Rental Vehicle or Covered Person's personal motor vehicle on any roadway that is inaccessible to two-wheel drive vehicles;
5. the use of the Rental Vehicle or Covered Person's personal motor vehicle by a Covered Person without holding a valid license for the country the motor vehicle is being operated in; or
6. any vehicle that is not comprehensively insured.

Section 11 – Extra Territorial Workers’ Compensation

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person sustains an Accidental Death or suffers a Bodily Injury or Sickness, We will indemnify the Policyholder for compensation benefits consequently payable under any workers’ compensation legislation which provides:

- (i) benefits to injured workers or their dependents for Accidental Death, Bodily Injury or Sickness arising out of or in the course of their employment; or
- (ii) damages consequently payable at common law except where the entitlement arises solely under any statute, subject to the Limits of Liability set out below.

This Section applies only:

- (i) with respect to Covered Persons who are employed by the Policyholder or who are deemed by any applicable workers’ compensation legislation to be workers employed by the Policyholder and who are employed or engaged within Australia and whose employment or engagement is to be performed substantially within Australia;
- (ii) if the Policyholder maintained in force during the currency of the Policy, workers’ compensation insurance as required by the law of any state or territory of Australia which applies to the employment of Employees by the Policyholder or the Policyholder is licensed under such laws as a self-insurer; and
- (iii) while a Covered Person is working on a temporary basis for no more than six months outside the state or territory in which the Covered Person’s usual place of employment or employment base, is located.

Section 11 Limit of Liability

The indemnity provided under this Section is limited as follows:

1. in the case of a claim for compensation benefits, the difference between the benefits payable by the Policyholder and the amount which the Covered Person or their dependents are entitled to claim under any workers’ compensation insurance which the Policyholder was required to effect as described above but not to exceed the amounts shown in the Schedule against Section 11;
2. in the case of a claim for damages at common law, the difference between the damages and legal costs payable by the Policyholder and the amount of indemnity to which the Policyholder would have been entitled under any workers compensation insurance which the Policyholder was required to effect as described above, but not to exceed the amounts shown in the Schedule against Section 11;
3. the limits of liability are amounts shown in the Schedule against Section 11 and apply as follows:
 - (i) Limit (A) is the limit of weekly compensation for each Covered Person;
 - (ii) Limit (B) is the total limit of liability in respect of all compensation, damages, costs and expenses arising out of any one accident whether involving one or more Covered Persons; and
 - (iii) Limit (C) is the aggregate for all compensation, damages, costs and expenses for all occurrences, events and accidents occurring during any one Period of Insurance, whether involving one or more Covered Persons;
4. any benefits otherwise payable under Sections 1 and 4 of the Policy with respect to a Covered Person will be reduced by the amount of any benefit payable under this Section with respect to that Covered Person.

Section 11 Conditions

If reasonably required by Us, the Policyholder must give Us:

1. such information and documentation with respect to a claim, including medical reports, report of injury forms, claim forms and any other documentation, which comes into the Policyholder's possession; and
2. access to the files and information held by any Workers' Compensation insurer with whom the Policyholder has effected insurance.

Section 11 Exclusion

1. We will not be liable for any claim for exemplary, punitive or aggravated damages.

Section 12 – Missed Transport Connection

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person misses a transport connection due to any unforeseen circumstances outside the Policyholder's or the Covered Person's control and, as a result, is likely to miss an officially scheduled meeting or conference which cannot be delayed until their arrival, We will pay the reasonable extra expenses actually and necessarily incurred, net of any recoveries to which the Policyholder or the Covered Person may be entitled from any carrier, to enable the Covered Person to use alternative scheduled public transport services to arrive at their destination on time for the meeting or conference, up to the amount shown in the Schedule against Section 12.

Section 12 Exclusions

We will not be liable for:

1. any missed transport connection arising from a business commitment or a financial or contractual obligation of the Covered Person or of any travelling companion, business associate, Parent or Close Relative of the Covered Person; or
2. claims arising from the inability of any tour operator or wholesaler to complete arrangements for any Journey or tour due to a deficiency in the number of people required to commence any Journey or tour.

Section 13 – Overbooked Flight

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,

the Covered Person cannot board a confirmed scheduled flight due to overbooking and no alternative transport is made available within eight hours of the scheduled departure time, We will pay for any expenses incurred as a result of the delay provided the Covered Person has not been compensated by the air carrier or any other third party. The maximum amount We will pay is the amount shown in the Schedule against Section 13 Overbooked Flight.

Section 13 Exclusion

We will not be liable for:

1. any expenses already incurred and paid under Section 4 – Medical & Additional Expenses & Cancellation & Curtailment Expenses and/or Section 12 – Missed Transport Connection as a result of the same event.

Section 14 – Political & Natural Disaster Evacuation

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey,
 - (A) officials in the country in which the Covered Person is travelling recommend that certain categories of persons, which include the Covered Person, should leave that country; or
 - (B) the Australian government issues a travel warning through its Department of Foreign Affairs and Trade that recommends that certain categories of persons, which categories include the Covered Person, should leave that country; or
 - (C) a Covered Person is expelled or declared persona non grata from that country; or
 - (D) there is wholesale seizure, confiscation or expropriation of the Covered Person's property, plant or equipment in that country; or
 - (E) a major natural disaster has occurred in the country the Covered Person is in necessitating their immediate evacuation in order to avoid the risk of their Bodily Injury or Sickness,

We will pay:

- (i) Part A – the actual, necessary and reasonable evacuation expenses incurred by the Covered Person to return to their Country of Residence or the nearest place of safety using the most reasonably available method of transport which has been pre-approved by ACE Assistance and subject to the maximum amount shown in the Schedule against Section 14, Political & Natural Disaster Evacuation Costs, Part A – Evacuation Expenses; and
- (ii) Part B – if the Covered Person is unable to return to their Country of Residence, their reasonable accommodation costs, up to the maximum amount and period shown in the Schedule against Section 14, Political & Natural Disaster Evacuation, Part B – Reasonable accommodation costs.

Section 14 Exclusions

We will not pay any claim arising directly or indirectly from:

1. a Covered Person violating the laws or regulations of the country they are in;
2. a Covered Person's failure to produce or maintain necessary immigration, work, residence or similar visas, permits or other documentation;
3. debt, insolvency, commercial failure, repossession of property by a titleholder or any other financial cause;
4. failure to honour any contractual obligation or bond or to obey any conditions in a licence;
5. a Covered Person being a national of the country from which they are to be evacuated; or
6. the political unrest or natural disaster that resulted in a Covered Person's evacuation being in existence prior to the Covered Person entering the country or its occurrence being foreseeable to a reasonable person before the Covered Person entered the country.

Section 14 Conditions

1. If a Covered Person is required to leave the country they are in, We must be contacted beforehand to confirm cover. Where possible We and/or ACE Assistance will make the travel arrangements and in all cases, We will decide where to send the Covered Person.

Section 15 – Search & Rescue Expenses

Extent of Cover

Subject to the other terms, conditions and exclusions of the Policy.

If:

- (i) during the Period of Insurance; and
- (ii) while the person is:
 - (a) a Covered Person; and
 - (b) on a Journey outside Australia,

the Covered Person is reported as missing and rescue or police authorities have to instigate a search and rescue operation where:

- (i) it is known or believed that the Covered Person may have sustained a Bodily Injury or suffered Sickness; or
- (ii) weather or safety conditions necessitate such an operation to prevent the Covered Person from sustaining a Bodily Injury or suffering Sickness,

We will reimburse the Policyholder in respect of the necessary and reasonable costs incurred by a recognised rescue provider or by police authorities to search for such Covered Person and to bring them to a place of safety. The maximum amount We Will pay per Covered Person and per Period of Insurance is the amount shown in the Schedule against Section 15 – Search & Rescue Expenses.

Section 15 Conditions

1. The Covered Person must comply at all times with local safety advice and adhere to recommendations prevalent at the time.
2. The Covered Person must not knowingly endanger either their own life or the life of any other Covered Person or engage in activities where their experience or skill levels fall below those reasonably required to participate in such activities.
3. We must be informed immediately or as soon as reasonably possible of any emergency that may potentially give rise to a claim.
4. Expenses are only payable for the Covered Person's proportion of the search and rescue operation.
5. Costs will only be covered up to the point where the Covered Person is recovered by search and rescue or at the time where the search and rescue authorities advise that continuing the search is no longer viable.
6. A written statement from the appropriate rescue authorities involved in the search and/or rescue must be obtained and provided to Us in the event of a claim.
7. Where any event covered under Section 15 is, or is subsequently found to be, covered under:
 - (i) Section 2 – Kidnap & Ransom/Extortion Expenses; or
 - (ii) Section 3 – Hijack & Detention; or
 - (iii) Section 4 – Medical & Additional Expenses & Cancellation & Curtailment Expenses; or
 - (iv) Section 14 – Political & Natural Disaster Evacuation,

the benefit amount payable is in addition to any amount payable under such section.

Extensions Applicable to all Sections

Notwithstanding anything to the contrary in this Policy, and consistently with the cover provided by it under each section and with the Policy's terms and conditions, cover under each section extends to:

1. any person whom the Policyholder nominates during the Period of Insurance for cover under this Policy and includes, if nominated, any Spouse/Partner and/or Dependent Child residing with the Insured Person in the Country of Domicile;
2. any Journey which:
 - (i) commences during the Period of Insurance; and
 - (ii) finishes after the last day of the Period of Insurance, where the Policyholder has cancelled or not renewed the Policy and has not placed a replacement policy with any other insurance provider,

provided always that cover will not extend beyond the number of days specified in the Schedule against Journey (maximum duration of any one trip) from the last day of the Period of Insurance or the date on which the Journey was scheduled to end, whichever is earlier.

General Exclusions Applicable to the Policy

These general exclusions apply to all covers and the Policy unless they are expressly stated not to apply in relation to the cover or the Policy.

We will not pay benefits with respect to any loss, damage, liability, Event, Bodily Injury or Sickness which:

1. results from a Covered Person engaging in or taking part in:
 - (i) flying in an aircraft or aerial device other than as a passenger in an aircraft licensed to carry passengers; or
 - (ii) training for or participating in Professional Sport of any kind;
2. results from any intentional self-injury, suicide or any illegal or criminal act committed by the Policyholder, a Covered Person, a Spouse/Partner and/or Dependent Child;
3. results from War, Civil War, invasion, act of foreign enemy, rebellion, revolution, insurrection or military or usurped power in Australia or a Covered Person's Country of Residence, or any of the following countries: Afghanistan, Chad, Chechnya, Côte d'Ivoire (Ivory Coast), Democratic Republic of Congo, Iraq, Israel, Somalia or Sudan;
4. would result in Our contravening the *Health Insurance Act 1973 (Cth)*, the *Private Health Insurance Act 2007 (Cth)* or the *National Health Act 1953 (Cth)* or any amendment to, or consolidation or re-enactment of, those Acts or where, and to the extent that, the provision of cover, payment of such claim or provision of such benefit would be a violation of any sanction, prohibition or restriction including under United Nations resolutions or the trade or economic sanctions, laws or regulations of the United States of America or Commonwealth of Australia as applicable.
5. subject to point 12 under Section 1 Conditions, Limits and Exclusions, occurs when the Covered Person is 85 years of age or over. This will not prejudice any entitlement to claim benefits which has arisen before a Covered Person attained the age of 85 years.

General Provisions Applicable to the Policy

These general provisions apply to all covers and the Policy unless they are expressly stated not to apply in relation to the cover or the Policy.

Aggregate Limit of Liability

This condition only applies to Sections 1 and 2 of the Policy.

1. Except as stated below, Our total liability for all claims arising under the Policy during any one Period of Insurance will not exceed the amount shown in the Schedule against Aggregate Limit of Liability (A) Any one period of insurance.
2. Our total liability for all claims arising under the Policy during any one Period of Insurance relating directly to air travel in aircraft whose flights are not conducted in accordance with fixed flying schedules, over specific air routes, to and from fixed terminals (i.e. non-scheduled), will not exceed the amount shown in the Schedule against Aggregate Limit of Liability (B) Non-scheduled aircraft.
3. If claims are made under the Policy which exceed the above Aggregate Limits of Liability, We will reduce the payments made with respect to each Covered Person in such manner as We may determine. Any determination as to the amount payable in these circumstances will be made at Our entire discretion and will not be the subject of any challenge of any kind.
4. Our liability for any one event giving rise to a claim under the Policy with respect to War and/or Civil War will not exceed the amount shown in the Schedule against War and/or Civil War – Maximum liability for any one event.
5. Our total liability for all claims arising under the Policy during any one Period of Insurance relating to War and/or Civil War will not exceed the amount shown in the Schedule against War and/or Civil War – Total liability for all claims under the Policy during any one Period of Insurance.

Assistance and Co-operation

The Policyholder and a Covered Person must co-operate with Us and, upon Our reasonable request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the Policyholder because of Bodily Injury or damage with respect to which insurance is afforded under the Policy. In that regard, the Policyholder must attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Policyholder must not, except at the Policyholder's own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

Breach of Conditions

If the Policyholder or a Covered Person is in breach of any of the conditions of the Policy (including a claims condition), We may decline to pay a claim, to the extent permitted by law.

Cancellation

The Policyholder may cancel the Policy at any time by notifying Us in writing. The cancellation will take effect at 4.01pm Australian Eastern Standard Time on the date We receive the Policyholder's written notice of cancellation or such time as may be otherwise agreed.

We may cancel the Policy or any Section thereof, for any of the reasons set out in Section 60 of the *Insurance Contracts Act 1984 (Cth)* by issuing a notice 30 days in advance in writing in accordance with Section 59 of the *Insurance Contracts Act 1984 (Cth)*.

If the Policy is cancelled by either the Policyholder or Us, We will refund the Premium for the Policy less a pro rata proportion of the Premium to cover the period for which insurance applied. However, We will not refund any Premium if We have paid a benefit under the Policy.

Change of Business Activities

The Policyholder must inform Us as soon as is reasonably practicable of any alteration in the Policyholder's business activities which increases the risk of a claim being made under this Policy.

Contra Proferentem Clause

We acknowledge and agree that in any dispute with the Policyholder or any Covered Person, any ambiguity in the Policy will not be construed against the Policyholder or the Covered Person on the grounds that Aon Risk Services Australia Limited or Aon Product Design & Development Pty Limited developed the Policy.

Currency

All amounts shown on the Policy are in Australian Dollars. If expenses are incurred in a foreign currency, then the rate of currency exchange used to calculate the amount payable in Australian dollars will be the rate at the time of incurring the expense or suffering a loss.

Due Diligence

The Policyholder and any Covered Person will exercise due diligence in doing all things to avoid or reduce any loss under the Policy.

Headings

Headings have been included for ease of reference and it is understood and agreed that the terms, conditions and exclusions of the Policy are not to be construed or interpreted by reference to such headings.

Notice of Claim

The Claimant must give Us written notice of any occurrence which is likely to give rise to a claim within 30 days or as soon as is reasonably practicable after the date of the occurrence. The Claimant must at their expense give Us such certificates, information and other documentation as We may reasonably require. We may at Our own expense have any Claimant, who is the subject of a claim under the Policy, medically examined from time to time.

Other Insurance

In the event of a claim, the Policyholder or a Covered Person must advise Us as to any other insurance they are entitled to claim under or have access to that covers the same risk.

Proper Law

Any dispute arising under the Policy or concerning its formation will be governed by the laws of the appropriate state of the Commonwealth of Australia. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within the said state and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder will be determined in accordance with the law and the practice of such court.

Singular/Plural

If it is consistent with the context of any clause in this Policy, the singular includes the plural and vice versa.

Subrogation

If We pay an amount under the Policy, We will be subrogated to all of the Claimant's rights to recover against any person or entity other than the Policyholder, a Covered Person or other persons covered by this Policy and a Claimant must execute and deliver any instruments and papers and do whatever else is necessary to enable Us to secure such rights. After any loss, a Claimant must not take any action which will prejudice Our rights to subrogation.

NSW/ACT

Level 33, 201 Kent Street
Sydney NSW 2000

GPO Box 4189
Sydney NSW 2001

t 02 9253 7000
f 02 9253 7001

QLD

Level 6, 175 Eagle Street
Brisbane QLD 4000

GPO Box 65
Brisbane QLD 4001

t 07 3223 7400
f 07 3223 7545

SA/NT

Level 10, 63 Pirie Street
Adelaide SA 5000

GPO Box 514
Adelaide SA 5001

t 08 8301 1111
f 08 8301 1100

TAS

Level 2, 10 Melville Street
Hobart TAS 7000

GPO Box 182
Hobart TAS 7001

t 03 6270 0400
f 03 6234 9735

VIC

Level 51, 80 Collins Street
Melbourne VIC 3000

GPO Box 1230
Melbourne VIC 3001

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Aon is a leading provider of risk management services, insurance and reinsurance broking, financial planning and employee benefit and risk solutions. Aon professionals meet the diverse and varied needs of our clients through our industry knowledge, technical expertise and global resources.

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ABN 17 000 434 720 AFSL No. 241141

BRO0005A 0912 PCUS-006625-2012



Managing Risks and maintaining a risks registry

APNIC Executive Council Meeting
11-12 May 2013
Dublin


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Risk is about managing uncertainty



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Risk is about managing uncertainty



"We've considered every potential risk except the risks of avoiding all risks"

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Risk management is about having a system to methodically deal with risk



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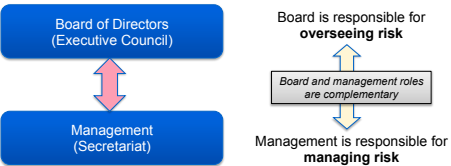
Best practice corporate governance

- Companies should establish policies for the oversight and management of material business risks
- Management should design and implement risk management and internal control system to manage the company's material business risks, and report to the board whether those risks are being managed effectively



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Board's role is to oversee risk



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Board's role is to oversee risk

Board is responsible for **overseeing risk** – by first, setting the **risk appetite**

Consider:

- stakeholder expectations
- organisation's strategy: including mission, vision and values
- organisation's capabilities: including risk culture
- the environment in which the organisation is operating

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Board's role is to oversee risk

Board is responsible for **overseeing risk** – by first, setting the **risk appetite**

Likelihood	Consequences				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
A (almost certain)	M	H	H	E	E
B (likely)	M	M	H	H	E
C (possible)	L	M	M	H	E
D (unlikely)	L	M	M	M	H
E (rare)	L	L	M	M	M

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Questions?

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A Guide to Directors' Duties and Responsibilities

APNIC Executive Council Meeting
11-12 May 2013
Dublin

Agenda

- APNIC's corporate structure
- Directors' duties and responsibilities
 - the concept of 'de facto' or 'shadow' director
 - "fiduciary" relationship between a director and the company
 - directors' duties
 - dealing with conflict of interests
 - preventing insolvent trading
- Defences/Relief from liability

APNIC's corporate structure

APNIC Corporate Structure

- APNIC Pty Ltd is an Australian proprietary (private) company, with limited liability
- APNIC Pty Ltd is governed by its Constitution (also called memorandum and articles of association)
- APNIC Pty Ltd has one shareholder, and one director
- APNIC Pty Ltd serves as the secretariat for APNIC

APNIC Corporate Structure

- Under APNIC Pty Ltd's Constitution, its directors give it powers and authorities
- APNIC Pty Ltd Director appointed the Special Committee
- The APNIC Staff (Secretariat) is formed by its bylaws
- The APNIC Members are the Special Committee members of the "Special Committee"

APNIC Corporate Structure

Directors' duties and responsibilities

Background | Shadow directors | "Fiduciary" relationship

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The concept of "de facto" or "shadow" directors

A person is a director of a company if:

- that person acts in the position of a director (regardless of whether that person has been validly appointed as a director); or
- the directors of the company or body are accustomed to act in accordance with that person's instructions or wishes

[Corporations Act 2001 – section 9]

Australian Corporations Law – Legal Environment

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"Fiduciary" relationship between a director and his/her organisation

fiduciary
n. from the Latin *fiducia*, meaning "trust," a person (or a business like a bank or stock brokerage) who has the power and obligation to act for another (often called the beneficiary) under circumstances which require total trust, good faith and honesty.



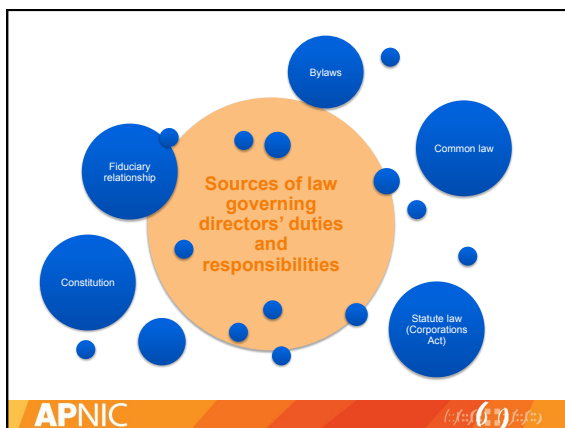
Australian Corporations Law – Legal Environment

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Directors' duties and responsibilities

Sources of law | Summary of duties and responsibilities

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Summary of duties and responsibilities

Act in good faith
To act in good faith in the best interests of the company for a proper purpose
To avoid conflicts of interest
Not to misuse information of position

With care and diligence
Directors have a duty to act with reasonable care and diligence

Other duties
To prevent insolvent trading
Continuous disclosure
Disclosure of related party transactions
To disclose directors' interests

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Directors' duties and responsibilities

Specific duties and responsibilities

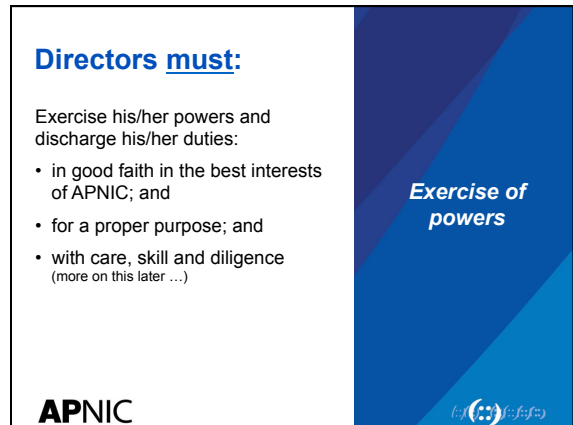


Directors must:

Exercise his/her powers and discharge his/her duties:

- in good faith in the best interests of APNIC; and
- for a proper purpose; and
- with care, skill and diligence (more on this later ...)

Exercise of powers



Directors must:

In making a business judgement:

- not have a material personal interest in the subject matter; and
- inform him/herself about the subject matter to the extent he/she reasonably believe to be appropriate; and
- rationally believe that the judgement is in the best interests of APNIC

Making business judgement

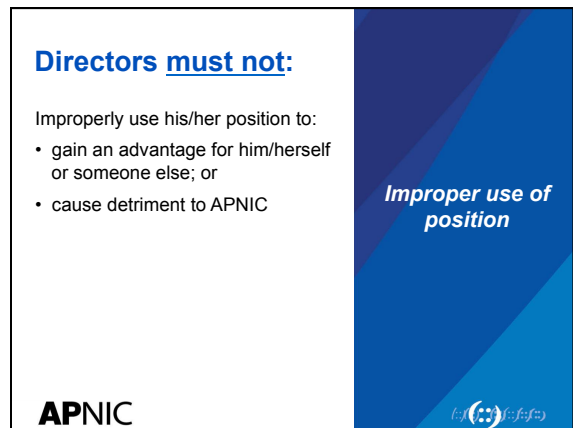


Directors must not:

Improperly use his/her position to:

- gain an advantage for him/herself or someone else; or
- cause detriment to APNIC

Improper use of position

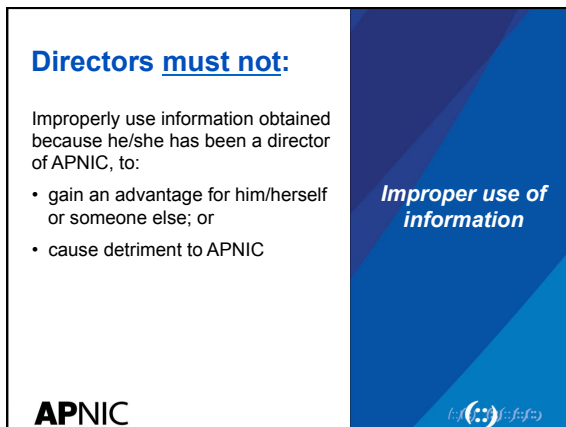


Directors must not:

Improperly use information obtained because he/she has been a director of APNIC, to:

- gain an advantage for him/herself or someone else; or
- cause detriment to APNIC

Improper use of information



Dealing with conflict of interests

- **Duty:** Directors must not allow a conflict of interests to compromise their position in the company
- **Disclose:** Directors must immediately disclose any conflict of interests
- **Abstention:** Directors with a conflict of interests must not be present during discussion of matter, and must not vote.

Conflict of interests



Positive duty to:

- ensure that a company is not involved in insolvent trading

Insolvent trading occurs where a company continues to trade and incur debts when the company is insolvent or close to insolvent

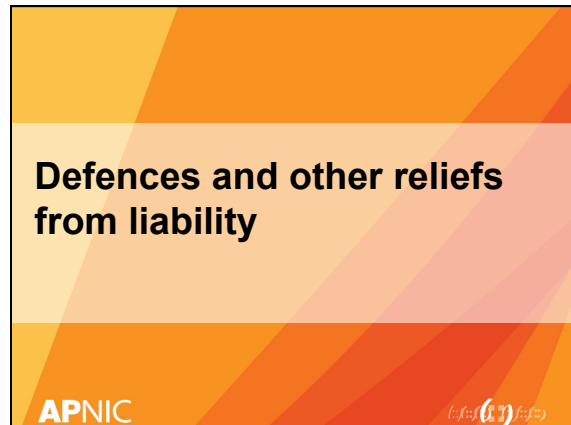
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Prevent insolvent trading



Defences and other reliefs from liability

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Duty of care, skill and diligence

You can satisfy this duty by:

- fully informing yourself about the subject matter of the business judgement that you make;
- attending EC meetings as often as is necessary to carry out your functions properly;
- actively monitoring the management of the company

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Satisfaction of duties




“Business Judgement Rule” defence

This provides a defence to any breach if you can establish that you:

- made the business judgement in good faith and for a proper purpose;
- do not have a material personal interest in the subject matter of the judgement;
- informed yourself about the subject matter of the judgement; and
- rationally believe that the judgement is in the best interest of APNIC


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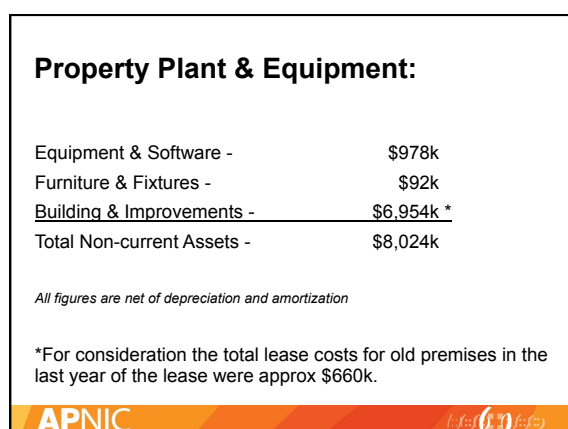
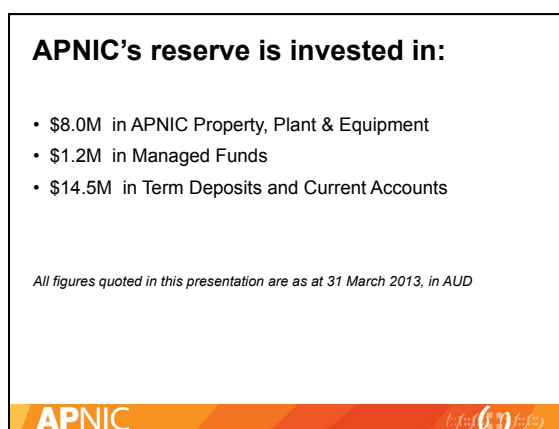
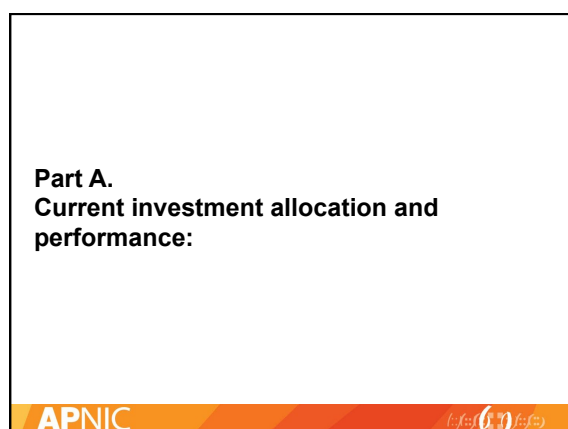
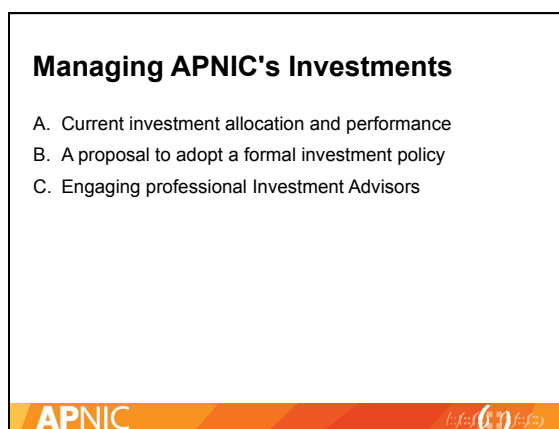
Defence



Questions?

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APNIC's Managed Funds performance:

Fund	1Yr	5Yr
JB Were (W) Emerging Leaders -	11.4%	0.5%
MLC MK UT-Platinum Global -	8.1%	3.9%
MLC Australian Share Fund -	18.0%	1.3%
MLC MK Horizon 6 Share Portfolio -	4.4%	0.7%

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**Cash Investments:**

Cash Operating Account -	\$400k
ISIF & SIDA Funds -	\$586k
Deposits up to 12 Months	\$13,479k
- CBA \$3M, MECU \$1M, Balance NAB	

Average rate of current deposits 4.49%

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Part B .
A proposal to adopt a formal investment policy

APNIC

**A proposal to adopt a formal investment policy**

The secretariat is proposing the adoption of a more formal approach to managing APNIC's investments.

Lets consider the following issues:

- Why have an investment policy?
- What does the policy do?
 - APNIC's Investment philosophy
 - What are the investment objectives?
 - Policy Governance
 - Investment Allocation
 - Investment selection
 - Investment administration

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**Why have an investment policy?**

- Ensure funds are invested in line within agreed guidelines
- An investment policy sets out the longer term goals of the organisations financial assets
- An investment policy establishes a guide, not a prescriptive recipe, on how investments should be managed.
- An investment policy ensures that procedures, prohibitions and investment guidelines are not lost when board members or key staff change.
- Board members have a fiduciary duty to ensure they take reasonable steps to manage and/or be aware of the financial assets of their organisation.
- Having an investment policy can provide better returns

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**What does the Investment Policy do?**

- articulate APNIC's philosophy on investments;
- establish a governance framework that demonstrates financial prudence to stakeholders;
- specify the reserves covered by this policy and the objectives for these reserves;
- set parameters around certain types of investments and how they may be used in a portfolio;
- set policies aimed at controlling exposure to market risk, credit risk and duration risk within the investment portfolio;
- establish a process for monitoring, reviewing and rebalancing investments; and
- confirm delegations and other relevant governance matters in relation to these investments.

APNIC



APNIC's Investment Philosophy

- **Capital preservation** is a primary goal.
- To protect capital, quality assets and proven strategies are to play a key role in risk mitigation.
- Absolute **positive returns**, not market/asset class index relative returns, are the primary investment objective.
- **Risk** should be viewed as the potential to lose capital and the non-achievement of investment objectives.
- **Asset Allocation** is the key determinant of investment risk and return.
- **Diversification** of assets and investment strategies is essential in managing the investment.
- Over the long term skilled **investment management** will deliver superior risk adjusted returns.
- **Timeframes** are a critical consideration in determining risk and return expectations.
- Where practical **avoid investments** in businesses that engage in the following areas: alcohol, gaming, tobacco and activities that are to the detriment of the environment.

APNIC

Investment Objectives

- This reserve is to be held to generate income and capital growth for APNIC to build a strategic reserve equivalent to 18 months of operating expenses
- The reserve is intended to deliver medium term growth
- Returns will be reinvested
- Funds in this reserve will be held in medium term investments while maintaining direct access and liquidity.
- APNIC's property will not be included in the scope of this policy, this asset is being utilised to reduce APNIC's operating expenses.

APNIC

Policy Governance

The policy sets out:

- Roles and Responsibilities
- Key Decision Makers
- Delegates
- Conflicts of Interest Policy
- Breach Reporting Policy

APNIC

Investment Allocation

Investment Risk:

- APNIC's funds are to be carefully segmented into specific reserves that have been designed to meet the organisations short, medium and longer-term objectives.

Asset Allocation:

- The objective of the Long Term Investment Reserve is to generate income and capital growth for APNIC.

Asset Class	Strategic Asset Allocation (%)		
	Minimum	Maximum	Benchmark
Cash	0%	100%	30%
Fixed Interest	0%	80%	50%
Australian Equities	0%	20%	9%
International Equities	0%	20%	3.5%
Property & Infrastructure	0%	20%	7.5%

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Investment Allocation

Current Allocation of APNIC's Reserves*:

Cash	\$14,465k (93%)
Australian Equities	\$269k (1.7%)
International Equities	\$961k (6.1%)
Property and Infrastructure	-
Total	\$15,695k

* Excluding APNIC Office.

APNIC

Investment Allocation

Investment Performance:

- The following performance benchmarks will be used when assessing the performance of APNIC's investments across each asset class.

Asset Class	Strategic Asset Allocation (%)
Cash	UBS Bank Bill Index
Australian Fixed Interest	UBS Australian Composite Bond Index All Maturities
International Fixed Interest	BarCap Global Aggregate Index Hedged \$A
Australian Equities	S&P/ASX 200 Accumulation Index
International Equities	MSCI World ex Austral Index \$A
Australian Property	S&P/ASX 300 A-REIT Accumulation Index
International Property	UBS Global Real Estate Investors Index \$A
Global Listed Infrastructure	S&P GI Infrastructure NR Hedged \$A
Alternative Assets	HFRI Fund Weighted Composite Index

APNIC

Investment Selection

The policy sets guidelines for:

- What type of investments are authorised
- What grade of investments are required
- Diversification requirements
- Liquidity requirements
- Investment Manager/s and Fund manager guidelines
- Market segmentation
- Currency management
- Gearing
- Investment Screening
- Custodian risk
- Fee and Tax efficiency

APNIC



Investment Administration

The policy sets guidelines for:

- Performance measurement and reviews
- Market event reviews
 - Up-side and Down-side review requirements
- Formal documentation of Investment decisions

APNIC



Part C . Engaging professional Investment Advisors

Engaging professional Investment Advisors

Our current relationship with NAB is not meeting our expectations and we wish to move to a more pro-active advisory service.

We have identified the Commonwealth Financial Planning Wholesale & Not For Profit (NFP) Team as our preferred investment advisors.

They have extensive experience in:

- providing ongoing investment advisory services to board controlled organisations with a particular emphasis on the Not For Profit sector.
- working with NFP clients establishing a tailored and sustainable ongoing investment advisory solution.

APNIC



APNIC



Appointing an Investment Manager

CBA will provide:

- Support to establish, implement and maintain the APNIC Investment Policy for investment decision making.
- Active cash management across 6 different term deposit providers (being the CBA, BankWest, NAB, ANZ, Westpac/St George and Adelaide & Bendigo Bank)
- Comprehensive ongoing Investment Advisory service that includes selecting and monitoring all investments to meet agreed objectives.
- Economic review and outlook to ensure APNIC is always up to date with the latest information.
- Access to Colonial First State's FirstWrap Plus investment platform (FirstWrap Plus) which provides access to over 250 managed funds, all ASX-listed securities and a broad range of cash management options

APNIC



Strategic Asset Allocation and Long Term Investment Reserve

Recommendations from CBA:

- target a medium term, defensive and income focused portfolio in order to provide a sustainable strategy for APNIC.
- provide a stable income stream with low levels of volatility in the capital value.
- appropriate investment time horizon is a minimum of 3 years.
- predominant allocation to cash and fixed income funds which invest in bonds.
- funds that will be considered for APNIC range from AA+ to AAA rated.
- 20% of the Investment Reserve to growth investments in Australian equities, international equities, global listed infrastructure and global property.
 - By introducing a defensive equity income position as well as property and infrastructure, the Reserve has the ability to tap into long term inflation hedged income which will become increasingly important in the coming years.

APNIC



Ongoing Service & Reporting

Custodial Reporting

- Secure online access to view the portfolio including reporting functionality 24/7;
- Monthly Investment reports
- Annual reports including the annual investor statement, the annual audit report

Investment Advisory Service

- An ongoing fee of 0.25% p.a. (including GST) is charged to APNIC on a monthly basis.
- Maintain the investment portfolio in line with APNIC's investment policy
- Quarterly review of APNIC's investments including an annual Executive Council presentation.
 - Economic review and forecast;
 - Commentary on investment markets;
 - Investment review and forecast against the relevant benchmarks and APNIC's investment objectives;
 - Reporting of asset allocation position relative to the benchmark and ranges and action required to rebalance;
 - Review of changes to the investment portfolio since last update;
 - Notification of any issues;
 - Potential changes in light of the economic and investment forecast; and
 - Compliance to APNIC's Investment Policy.

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Next steps

1. Consideration and approval of Investment Policy by APNIC EC

2. Engagement of Investment Advisor

3. Policy Implementation

4. Review of Current portfolio:

- **Property Investments**
 - The APNIC Office will not be included as part of this investment policy.
- **Cash Investments**
 - All current term deposits will be transitioned as they stand until maturity
 - As deposits mature they will be reinvested under the terms of the policy
 - Regular review of operating cash requirements will see excess funds transitioned on the basis of the policy
- **Managed Funds**
 - Review current investments in line with objectives

5. Ongoing review and reporting

APNIC





Briefing Paper – APNIC Investment Management

The secretariat has been working on a new approach to managing APNIC's reserves, the aim is to adopt a formal documented Investment Policy to be approved by the EC and to engage the services of professional investment managers. Recently we have been working closely with the Commonwealth Bank Wealth Management team, their approach is much more comprehensive than that we have been provided via National Australia Bank until now, and we feel that they are a very good fit for APNIC as they have extensive experience in advising the not-for-profit sector.

We have developed the attached "draft" investment policy after extensive consultation with the CBA team and I also attach a copy of the CBA proposal that outlines their approach and the services they offer. Working with the CBA would give us access to more competitive cash deposit rates and ongoing investment advice and management, regular portfolio rebalancing and event based reviews that will ensure that our risk is managed in line with an agreed profile.

Our initial approach would be to wrap all our term deposits and managed funds into the portfolio as they stand, as the deposits mature or we have excess cash, we would move these funds to be reinvested based on the Investment policy (we do not pay CBA any fees on the Cash Deposits). We would also get advice on the existing Managed Fund investments. The APNIC building would not be included in this Investment Policy.

We are confident that any fees incurred in having the funds managed in this way will be more than offset by the increased returns that APNIC will receive. The EC will receive comprehensive reporting on a quarterly basis.

The formal proposal to adopt this policy will be included in the Agenda for the EC meeting in Dublin in May.

APNIC Investment Policy(Draft)

May 2013

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1 Introduction

1.1 Purpose of the Investment Policy

The purpose of this policy is to establish a governance framework that Asia Pacific Network Information Centre (APNIC) adopts in investing its capital. The objectives of this policy are:

- To articulate the organisation's philosophy on investments;
- To establish a governance framework that demonstrates financial prudence to stakeholders;
- To specify the reserves covered by this policy and the objectives for these reserves;
- To set parameters around certain types of investments and how they may be used in a portfolio;
- To set policies aimed at controlling exposure to market risk, credit risk and duration risk within the investment portfolio;
- To establish a process for monitoring, reviewing and rebalancing investments; and
- To confirm delegations and other relevant governance matters in relation to these investments.

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2 Investment Philosophy

The Executive Council's investment objectives, philosophy and investment policy is founded on the following beliefs:

- Capital preservation is a primary goal. Capital is not allocated for investment unless the expected return is adequate to compensate for the assessed risk taken.
- To protect capital, quality assets and proven strategies are to play a key role in risk mitigation.
- Absolute positive returns, not market/asset class index relative returns, are the primary investment objective.
- Risk should be viewed as the potential to lose capital and the non-achievement of investment objectives.
- Asset Allocation is the key determinant of investment risk and return.
- Diversification of assets and investment strategies is essential in managing the investment.
- Over the long term skilled investment management will deliver superior risk adjusted returns.
- Timeframes are a critical consideration in determining risk and return expectations.
- Where practical the preference is to avoid investments in businesses that engage in the following areas: alcohol, gaming, tobacco and activities that are to the detriment of the environment.

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3 Scope of the Investment Policy

3.1 In Scope

This investment policy applies to the following capital segments, otherwise known as reserves in accordance with the objectives listed below.

Reserve	Objectives
Long Term Investment Reserve	<ul style="list-style-type: none"> ▪ This reserve is to be held to generate income and capital growth for APNIC to build a strategic reserve equivalent to 18 months of operating expenses ▪ The reserve is intended to deliver medium term growth and will accrue any surplus income. ▪ Funds in this reserve will be held in medium term investments while maintaining direct access and liquidity.

3.2 Out of Scope

All other activities of APNIC are outside the scope of this investment policy

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4 Corporate Governance Policy for Investments

This section sets out the governance structure for investing and maintaining APNIC's investments. It includes the roles and responsibilities of the Executive Council, Director General, Business Director, Secretariat, Key Decision Makers, Key Decision Maker Delegates and Investment Advisers.

4.1 The Executive Council and the Director General

The Executive Council delegates overall responsibility for this Investment Policy and investments made under it to the Director General. The Director General is responsible for implementing and maintaining the investment policy and ensuring that it is adhered to at all times.

The Director General must act in the interests of APNIC and its stakeholders and, in making decisions, and ensure compliance with all applicable legislation.

The Director General is responsible for approving the Investment Policy including any subsequent changes.

The Director General must exercise the care, diligence and skill that a prudent person would exercise in investing funds. This would include, where relevant, having regard for the need to:

- Adopt and maintain a robust Investment Policy;
- Develop and maintain an investment strategy that aligns with APNIC's objectives;
- Only deal with investments on APNIC's behalf if duly authorised and qualified to do so;
- Understand the legislative framework in which APNIC is to exercise its powers of investment;
- Identify areas where external expertise is required (and engaged) to adequately manage APNIC's investments;
- Ensure those involved in managing APNIC's investments are adequately trained to undertake their roles;
- Consider the use of appropriately licensed and supervised advisers to provide expert advice on portfolio design and construction, investment selection and the implementation of the investment strategy; and
- Manage conflicts of interest in a similar manner to which the Executive Council manages conflicts of interest (see 4.6).

4.2 Appointments and delegations by the Executive Council and the Director General

- The Executive Council delegates to the Director General as the Key Decision Maker the responsibilities set out in 4.4;
- The Director General will appoint the Business Director as the other Key Decision Maker and appoint 2 Key Decision Maker delegates from the Secretariat with responsibilities set out in 4.5; and
- Each Key Decision Maker delegate will act in the capacity of the Director General and the Business Director if they are absent from duty for a period greater than 5 business days.

4.3 Revocation of appointments and delegations

The Director General may revoke the appointment or delegation of any member of the Secretariat including a Key Decision Maker delegate at any time without notice. Where this occurs, the Director General must act quickly to identify suitable replacements to ensure adequate continuity of the

governance framework. The Director General must inform the Executive Council of any revocations and replacements as soon as practicably possible.

4.4 Terms of Reference of the Director General and the Business Director as Key Decision Makers

4.4.1 Structure

The Director General reports to the Executive Council. The Business Director reports to the Director General.

4.4.2 Roles and Responsibilities

The role of the Director General and the Business Director is to inform the Executive Council in its consideration of capital and investment matters, in relation to:

- The performance of investments;
- The compliance or otherwise of investments with the Investment Policy;
- Changes to investments managed under the Investment Policy;
- The management of issues in relation to the Investment Policy including the identification and completion of remedial action;
- The continual development of the Investment Policy to ensure that it meets with APNIC's legal obligations and financial objectives; and
- The selection of appropriately skilled investment advisers.

The Director General and the Business Director must also:

- Oversee the implementation of the initial portfolio and subsequent execution of investment decisions made in accordance with the Investment Policy;
- Review the portfolio quarterly in accordance with section 7.2 of the Investment Policy;
- Report to the Executive Council at least quarterly in accordance with section 7.2 of the Investment Policy;
- Review the Investment Policy twice yearly; and
- Make recommendations, where appropriate, for the variation of the Investment Policy, and inform the Executive Council of those variations.

Investment Advisers

The Director General and the Business Director may seek specialist investment advice in relation to the Investment Policy and the ongoing decision-making processes under it (including advice on portfolio design and construction, investment selection and the implementation of the investment strategies) provided that the Director General has first satisfied itself that the investment adviser:

- Is a financial institution that operates in Australia under an Australian Financial Services licence;
- Is supported by dedicated internal compliance and research teams;
- Is suitably qualified, having regard for the investment adviser's education and professional experience;
- Is required under its engagement to exercise the care, diligence and skill that a prudent person would exercise in providing advice on the investment of funds; and

- Is required under its engagement to adhere to the Investment Policy when making recommendations to the Director General and the Business Director

4.5 Key Decision Maker Delegates

Appointment

The Director General will appoint 2 Key Decision Makers delegates. The Key Decision Maker delegates must be members of the Secretariat. The Director General must inform the Executive Council of the appointments.

Revocation of appointment

The Director General may revoke the appointment of a Key Decision Maker delegate at any time, and inform the Executive Council of any revocation.

Role

Key Decision Maker delegates have the responsibility of making day-to-day investment decisions in accordance with the requirements of the Investment Policy and the relevant legislative obligations.

Key Decision Maker delegates are subject to the overview of the Secretariat, the Director General and the Business Director and must act in accordance with any directions issued by the Secretariat, or the Director General and the Business Director

Key Decision Maker delegates must ensure that they report regularly on the exercise of their functions in the manner determined from time to time by the Secretariat, the Director General and the Business Director

Responsibilities

In carrying out their role, Key Decision Maker delegates must have regard for the need to:

- Adopt and maintain a robust Investment Policy;
- Develop and maintain an investment strategy that aligns with APNIC's objectives;
- Only deal with investments on APNIC's behalf if duly authorised and qualified to do so;
- Understand the legislative framework around which APNIC is to exercise its powers of investment;
- Identify areas where external expertise is required (and engaged) to adequately manage APNIC's investments;
- Ensure those involved in managing APNIC's investments are adequately trained to undertake their roles;
- Consider the use of appropriately licensed and supervised advisers to provide expert advice on portfolio design and construction, investment selection and the implementation of the investment strategy; and
- Manage conflicts of interest in a similar manner to which the Executive Council manages conflicts of interest (see 4.6).

4.6 Conflicts of Interest Policy

This Policy sets out the Executive Council's policies and procedures for avoiding or managing conflicts of interest that arise in relation to the management of the Investment Policy.

Objectives

The main objectives of this Conflicts of Interest Policy are to:

- Identify potential or actual conflicts of interest that may arise in relation to the Investment Policy;

- Set down procedures to evaluate any potential conflicts of interest. This will permit the decision to be made as to whether a particular conflict of interest situation is manageable or whether it must be avoided;
- Have processes and procedures in place to adequately manage and monitor conflicts of interest; and
- Make adequate disclosure of conflicts of interest to affected persons where required. This is to ensure that these people are sufficiently informed to be able to evaluate whether a conflict may affect the independence or quality of decisions made.

Application

The Executive Council, Director General, Secretariat and each Key Decision Maker delegate must comply with this Conflicts of Interest Policy. Failure to comply could expose the Executive Council and/or its Representatives to risks or legal liabilities.

Duties under the Conflicts of Interest Policy

A Representative must avoid any situation where the duties owed by the Representative under the Investment Policy conflict with:

- The personal interests of the Representative; or
- The duties owed by the Representative to another entity.

Each Representative must notify the Director General, and in the case of the Director General, the Executive Council, of all material personal interests he or she may have in a matter relating to the Investment Policy.

If a Representative believes that a conflict is such that he or she cannot bring an independent mind to the consideration of a matter, he or she must abstain from taking part in that matter and must notify the Director General and in the case of the Director General, Executive Council.

Conflicts of interest at the Executive Council, Director General, Business Director, Secretariat and Key Decision Maker delegate level

Conflicts of interest at the Executive Council, Director General, Business Director, Secretariat and Key Decision Maker delegate level must be managed by:

- Having a standing agenda item for disclosure of conflicts of interest at each meeting; and
- Members disclosing personal conflicts of interest.

Where an Executive Council member, the Director General, the Business Director, Secretariat or Key Decision Maker delegate member has a conflict of interest, he or she must disclose that conflict of interest in a timely fashion to the other Executive Council members, the Director General, the Business Director, Secretariat and Key Decision Maker delegates. The conflicted member will abstain from the decision-making process.

4.7 Breach Reporting Policy

This Breach Reporting Policy is designed to assist the Executive Council, Director General, Business Director, Secretariat and Key Decision Maker delegates in the management of breaches and to ensure that there is an open and transparent process of reporting and monitoring incidents and breaches.

Objectives

- The objectives of this Breach Reporting Policy are as follows:
- To ensure that an incident or a breach, once identified, is reported and resolved in a consistent and timely manner;

- To ensure that there is an open and transparent process of reporting and monitoring of incidents and breaches;
- To allocate responsibility for ensuring compliance with regulatory and other obligations and that risks of non-compliance are effectively managed;
- To assist the Executive Council, Director General, Business Director, Secretariat and Key Decision Maker delegates to implement improved internal controls and service standards; and
- To provide a framework that assists the Executive Council, Director General, Business Director, Secretariat and Key Decision Maker delegates to understand the obligations to monitor incidents and breaches.

Application

The Executive Council, Director General, Business Director, Secretariat and each Key Decision Maker delegate must comply with this Breach Reporting Policy. Failure to comply could expose the Executive Council and/or its Representatives to risks or legal liabilities.

Definition

A 'breach' is defined as a failure (or the likely failure) to comply with the measures outlined in the Investment Policy, legislation, regulations or industry standards, as well as any failure of business processes or systems. If there is any doubt as to whether a matter constitutes a breach, the matter must be referred to the appropriate manager for determination.

Registering details of breaches

Any breach identified by the Director General, Business Director, Secretariat or Key Decision Maker delegate must be logged in a centralised register. The following details are to be recorded:

- (a) Date the breach was raised;
- (b) Who identified the breach;
- (c) Status (eg open, closed);
- (d) What is the likely impact? (eg financial loss, reputational risk etc);
- (e) What is the approach to remediation?
- (f) Who is responsible for the remediation? and
- (g) The timeframe within which remediation must be completed.

Breaches brought to the attention of the Secretariat or Key Decision Maker delegates must be notified to the Director General and the Business Director in writing within 5 business days of the breach being identified. The timely reporting of issues will ensure swift remediation if required.

5 Investment Allocation Policy

5.1 Investment Risk

APNIC's funds are to be carefully segmented into specific reserves that have been designed to meet the organisations short, medium and longer-term objectives.

5.2 Asset Allocation

The asset allocation is an outcome of the optimal capital allocation to meet the objectives for each reserve that can be aggregated to an asset allocation at a total portfolio level. Based on this rationale, the Asset Allocation should be adjusted where necessary to achieve the objectives.

Strategic Asset Allocation is the primary position or base case for the proportional allocation of capital to respective asset classes in a portfolio constructed to optimise returns for a given level of risk. The Strategic Asset Allocation is determined based on expected asset class returns that in turn are largely guided by historical asset class returns.

A strategic bias is a secondary consideration in portfolio construction. Such opportunities should exist for at least 12-18 month time horizon. The application of strategic biases is to add value (increase return/reduce risk) for a portfolio by varying from the Strategic Asset Allocation and taking under/overweight positions in an asset class or sub-asset class when a suitably attractive opportunity is identified.

Long Term Investment Reserve

The objective of the Long Term Investment Reserve is to generate income and capital growth for APNIC.

The following Strategic Asset Allocation aims to provide stable income streams with minimal levels of capital growth and low levels of capital value volatility. An appropriate investment time horizon is a minimum of 3 years.

The benchmark for this reserve will be a weighted average of the:

- UBS Bank Bill Index;
- UBS Australian Composite Bond Index (All Maturities);
- BarCap Global Aggregate Index (Hedged \$A);
- MSCI World ex Aust Index (\$A);
- UBS Global Real Estate Investors Index (\$A); and
- S&P GI Infrastructure NR Hedged (\$A).

Asset Class	Strategic Asset Allocation (%)		
	Minimum	Maximum	Benchmark
Cash	0%	100%	30%
Fixed Interest	0%	80%	50%
Australian Equities	0%	20%	9%
International Equities	0%	20%	3.5%
Property & Infrastructure	0%	20%	7.5%

5.3 Asset Class Performance Benchmarks

In assessing the performance of an investment portfolio it is important that performance benchmarks are established.

The following performance benchmarks will be used by the Executive Council, Director General and Secretariat when assessing the performance of APNIC's Investments across each asset class.

Asset Class	Strategic Asset Allocation (%)
Cash	UBS Bank Bill Index
Australian Fixed Interest	UBS Australian Composite Bond Index All Maturities
International Fixed Interest	BarCap Global Aggregate Index Hedged \$A
Australian Equities	S&P/ASX 200 Accumulation Index
International Equities	MSCI World ex Aust Index \$A
Australian Property	S&P/ASX 300 A-REIT Accumulation Index
International Property	UBS Global Real Estate Investors Index \$A
Global Listed Infrastructure	S&P GI Infrastructure NR Hedged \$A
Alternative Assets	HFRI Fund Weighted Composite Index

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6 6. Investment Selection

6.1 Authorised Investments

APNIC may only invest capital in the following authorised investments:

- Securities accessed through Australian domiciled and Australian regulated markets in accordance with the rules outlined in this Investment Policy;
- Managed investment schemes;
- State or Commonwealth Government Bonds, Debentures or Securities;
- Debentures, bills of exchange, deposits, bonds, notes and/or other fixed interest securities issued or accepted by/with a company listed in the S&P ASX100 index or an APRA regulated bank;
- Cash Deposits with the following financial institutions:
 - Commonwealth Bank of Australia
 - National Australia Bank
 - Westpac Banking Corporation/St. George Bank
 - ANZ
 - Bendigo and Adelaide Bank
 - BankWest

6.2 Investment Ratings Standards

Unless the Director General agrees otherwise, investments must be made only into investment grade products. For these purposes, investment grade products means where both the product and/or the issuer have a Standard and Poor's credit rating of at least BBB- or the equivalent rating from recognised credit rating agencies Moody's or Fitch.

Investments into managed investments should only be made into funds with a Morningstar rating of at least Silver.

6.3 Diversification

One of the most effective ways to manage investment risks is through portfolio diversification. Appropriate diversification is achieved by having a sufficiently broad range of assets, investment management styles and managers to mitigate the potential downside risks resulting from overly concentrated exposures.

The portfolio will be constructed to achieve optimal diversification benefits for the portfolio in accordance with the APNIC's policies, risk parameters and return objectives as outlined in this document. The level of diversification and exposure limits implemented will be determined by a range of factors such as:

- Investment Strategy – by setting a strategic asset allocation in line with the stated objective for each nominated reserve.
- Manager – where appropriate using a combination of fund managers to minimise single manager risk and manager style bias.
- Asset class – where possible investing each nominated reserve in a combination of cash, fixed interest, equities and property.

- Sub asset class – where possible look at breaking down the asset allocation between International and domestic investments as well as specific sectors such as infrastructure.

The portfolio will only include assets that are available in Australian regulated markets. This is due to the size, liquidity, regulatory and transparency requirements necessary for an asset to be included on the Australian markets.

6.4 Liquidity

The funds and investments selected should offer daily liquidity with prices being 'mark to market' on a daily basis.

6.5 Active versus Passive Investment Management

The investment managers should be selected on the basis of their quality as well as the role their particular investment strategy plays in the portfolio construction process. For active managers they should be assessed based upon the prospect they have of achieving superior risk adjusted returns relative to peers and their stated benchmark. For passive managers they should be assessed against their ability to reliably track their chosen index benchmark in a cost effective manner.

6.6 Portfolio Investment Management Style

The diversification of investment styles and managers is instituted to mitigate the potential downside risk to any one investment style or manager and to produce an optimal risk adjusted return profile for a particular asset class over the long term.

6.7 Optimal Number of Fund Managers

The number of fund managers chosen for each asset class within the portfolios is a function of:

- appropriate core capabilities required to be represented in each asset class to achieve adequate style diversification,
- range, quality and strength of capability of the respective managers, and
- fund managers available with the required capabilities.

6.8 Market Segmentation

Market segmentation takes many forms, such as regional and emerging markets, sector specific exposure and large, mid and small cap allocations. These sub-groups within the broader asset classes can, at times, present compelling investment opportunities to improve portfolio returns through a strategic bias. Some of these potential opportunities are described in the points below.

6.8.1 Market Capitalisation

While care must be taken with the use of small cap managers due to liquidity, research coverage and market depth issues, the diversification achieved through having some exposure to stocks outside the S&P/ASX 100, can be beneficial for portfolios.

From a strategic bias, where compelling value is identified outside the Large Cap sector a specialist manager may be included in the portfolio to specifically increase the portfolios exposure to this sector.

6.8.2 Geographic Segmentation (Regional and Country Specific Managers)

Portfolio regional asset allocation is left to the discretion of international investment managers due to the sophisticated top down economic inputs required to assess the relative merits of the various

countries/regions and also to manage currency exposures. Therefore, specific regional international managers will generally not be included in the portfolio unless the case for the relevant exposure is compelling and likely to persist for an extended period.

6.8.3 Sector Exposure

The portfolio will not generally use industry sector specific managers as the existing generalist manager's portfolios will carry industry sector biases periodically as a result of their portfolio tilts.

The exception to this is infrastructure funds. These will have equity-like characteristics but are often lowly correlated to broader equity funds. These may provide portfolio diversification and can be included where sufficiently attractive vehicles and opportunities can be identified.

6.9 Currency Management

A common objective for international investing is to diversify the portfolio away from an Australian dollar exposure. Where currency management is used it is usually implemented by applying a global asset allocation approach to management and/or by using some form of currency hedging which may involve the use of derivative instruments.

The decision to hedge currency is to be determined by the Executive Council. Where possible, global fixed interest is to be fully hedged.

6.10 Gearing

Gearing is the strategy of borrowing money to invest. Gearing is essentially undertaken to increase the growth rate of capital employed or to generate tax efficient income. Gearing as a strategy is only successful when the return generated is greater than the cost of capital on a post-tax basis. From an investment perspective gearing has the impact of increasing capital volatility (risk) for what hopefully is more than compensated by additional return.

The Executive Council seeks to avoid exposure to all types of gearing strategies and will only use its own capital when investing.

6.11 Investment Screens

The quality of the assets is critical to the sustainable performance of the investment portfolio and the preservation of capital. APNIC has adopted a screening process that aims to ensure that only high quality assets and issuers feature in the investment portfolio.

6.11.1 Managed Investment Schemes

Investment Advisers must only recommend managed investment schemes that are of investment grade and that are approved by their Licensee.

The Executive Council looks to avoid investments into managed investment schemes where:

- A predominant feature of the scheme is to provide taxation relief;
- The scheme does not offer at least weekly liquidity; and
- The scheme is overly complex and has inadequate transparency.

6.11.2 Direct Equities

The portfolio must adhere to the liquidity policy and will, in the main, only include assets that are available on public markets. This is due to the size, liquidity, regulatory and transparency requirements necessary for an asset to be included on public markets.

As such, Direct Equities must be based in Australia and may only include assets listed on the Standard & Poor's/Australian Stock Exchange 50 Index. The Index comprises the 50 largest stocks by market capitalisation in Australia.

When selecting investments in direct equities, the Executive Council and Director General should look to invest in equities using the following selection guidelines.

- Debt/Equity Ratio and Interest Rate coverage:
 - Stocks should have a debt/equity ratio of below 50%
 - For Stocks with a debt/equity ratio of between 50 - 60%, their interest cover should be between 5 -10 times;
 - For stocks with a debt/equity ratio of 60 - 70%, their interest cover should be between 10 - 15 times; and
 - All stocks should have a minimum interest cover of 2.5 times.
- Diversification within the different sectors should not be more than 3 times the Index Allocation and this is capped at 50%.
- Direct stocks that deliver fully franked income are favoured in the portfolio.
- Franked income would be favourable, but the merits of the underlying investment and research would be the key driver to the investment decision.
- The maximum direct investment into a single stock should be no more than 10% of the portfolio.

6.11.3 Interest Rate Securities

Interest Rate Securities have characteristics of both Fixed Interest and Equities investments. In keeping with the market standards, interest rate securities are aligned with Direct Equities and Australian Equities component of an investment policy.

Interest Rate Securities must form part of the Australian Equities allocation. Market risk and interest rate risk will be controlled by adopting a “hold to maturity” philosophy with respect to directly held interest rate securities.

In addition to the above, when selecting investments in Interest Rate Securities, the Executive Council and Director General should look to invest using the following selection guidelines.

- Within the asset allocation, any hybrid should not have exposure greater than 25% of total portfolio value.
- 70% - 80% of the portfolio should have a credit rating of BBB+ rating or higher.
- Hybrids with a credit rating greater than A- should have a maximum weight of 25% within the asset allocation.
- Hybrids with a BBB+ credit rating should have a maximum weight of 17.5% within the asset allocation.
- Hybrids with credit ratings between BBB- to BBB should have maximum of 10% in the entire portfolio within the asset allocation.
- Investment into Interest Rate Securities should only be made into investment grade instruments from investment grade issuers and should have a cash-out option at maturity.

Other Fundamentals assessed for portfolio inclusion will be:

- Balance Sheet information such as Debt/Equity Ratio and Interest Cover.
- Scaling process to gauge debt/equity (D/E) being:

- D/E < 50% - Must have interest cover greater than 2.5 times
- D/E 50-60% - Must have interest cover between 5 to 10 times
- D/E 60%-70% - Must have interest cover between 10 to 15 times
- Balance sheet
- Underlying strategies
- Assets are not reliant on Non-Current intangibles
- Short Term Current liabilities
- Management experience and track record
- We cannot enter the hybrid if market consensus is less than Neutral.
- Cannot enter a hybrid if the Research House has a Sell recommendation on the underlying stock. A reduce is fine (only where a reduce rating on the underlying stock has been given because the underlying stock is overvalued) because the definition is a deviation of only 2 to 5% decline of the 3 year internal rate of return. Where there is a reduce rating on the underlying stock due to concerns other than the stock being overvalued, then the hybrid cannot be entered into.
- Any hybrid must not have exposure greater than 25% of total portfolio value.
- 70% to 80% of the portfolio must be greater than BBB+ rating.
- Hybrid rating greater than A- will have a maximum weight of 25% within the asset allocation.
- Hybrids rating with greater than BBB+ will have a maximum weight of 17.5% within the asset allocation.
- Hybrids rated BBB will have maximum of 12.5% per securities and no greater than 25% in the entire portfolio and asset allocation.
- No security will have a credit rating less than BBB.

An investment with a less than minimum Standard & Poor's 'BBB' rating, issued by a top 50 Australian company by market capitalisation, may be considered by the committee. This is on the proviso that there are appropriate investment research reports to satisfy the Investment Policy criteria. Furthermore franking credits would be considered but the merits of the underlying investment and research would be the key driver for the investment decision.

6.11.4 Capital Guaranteed Investments

A capital guaranteed investment is an investment product which includes a guarantee by a financial institution that an investor will receive a pre-agreed amount of capital back if the product is held to maturity.

Whilst these products aim to limit the amount of capital loss, they can also limit the amount of return that investors can obtain if the investments appreciate. This compromise is how the offering institutions can afford to guarantee the principal investment.

A capital guaranteed investment must demonstrate the following characteristics:

- The capital guarantee can be from 80-100% of the principal invested
- Is provided by one of the top 4 major banking institutions in Australia
- The guarantee is structured inexpensively and is transparent in its structure
- The cost and risk trade-off to investing directly into the market is obvious to the Director General and the Business Director.

- The underlying investment and market the investment tracks adheres to this investment policy.

6.11.5 Portfolio Exclusions

APNIC places restrictions on the types of companies or industries that capital can be invested in on moral, environmental, ethical and/or commercial grounds, where practical. APNIC looks to avoid direct investment in businesses that engage in any of the following activities:

- alcohol, gaming, tobacco and any activities that have a detrimental effect to the environment.

Typically, this type of screening policy can be easily implemented in a direct equities portfolio. APNIC recognises that such policy may not be possible to implement with managed funds and some structured investments. In the interest of product and market diversification, these funds and structured investments will be considered on the proviso that they are in keeping with the broader Investment Policy.

6.12 Custodian Risk

APNIC may invest via a wrap platform / investor directed portfolio service (IDPS) to provide administrative services. The Operator or Custodian must be a specialist provider of services, technology and systems underpinning wrap and investor directed portfolio services. The Custodian must also have a complaints resolution scheme and be related to a major Australian based Operator.

6.13 Fees and Taxes

The portfolios are to be constructed using products and managers that have been assessed against their overall contribution to portfolio returns; this assessment includes an evaluation of fee competitiveness and level of tax efficiency.

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7 7. Portfolio Administration Policy

7.1 Performance Measurement and Reviews

After the construction and implementation of the portfolio the monitoring and reporting regime will be initiated.

The portfolio must be reviewed at the end of each quarter by the Director General and the Business Director in consultation with any third party advisors. If changes are required then the following process is to be adopted:

A recommendation (refer Appendix B) will be documented by the Investment Adviser and provided to the Director General and the Business Director and must include the following information:

- Positives/negatives and fees and bid/offer spread costs
- Proposed investment – positives/negatives and fees and bid/offer spread costs
- Basis for change
- Supporting material justifying the change

The recommendation must be signed by the Director General and the Business Director or appointed Key Decision Maker delegates where the delegated authority is in place. Only once the recommendation(s) is approved can the changes be implemented.

The Executive Council must be provided with an update by the Director General and any third party advisers at least quarterly on the performance of APNIC's investments. This update should include the following:

- Economic review and forecast;
- Investment review and forecast against the relevant benchmarks and client investment objectives;
- Review of changes to the investment portfolio since last update;
- Notification of any issues;
- Potential changes in light of the economic and investment forecast.

7.2 Market Event Reviews

As capital preservation is paramount, a way to identify the need to review the portfolio in between the end of each quarter is by using a Market Event Review. An impetus for a review will occur should events in the market cause volatility which significantly impacts the value of the portfolio. Volatility is generally to the downside, and where it is of a sufficient magnitude it will trigger this out of cycle review.

Where an issue is identified, it will be assessed and appropriate advice is to be provided given the prevailing portfolio and market conditions.

7.2.1 Downside Market Event Review

Defensive assets are defined as Australian fixed interest, International fixed interest and Cash. Growth assets are defined as Australian Equities, International Equities, Australian Listed Property, International Listed Property and Alternative Assets and Strategies.

For Defensive assets, a Market Event Review 1 occurs where the asset class declines by 5% from its last high point since the previous quarter*. A Market Event Review 2 occurs if an asset class further declines 5% from the Market Event Review 1.

For Growth assets, a Market Event Review 1 occurs if an asset class declines by 10% from its last high point since the previous quarter*. A Market Event Review 2 occurs if an asset class further declines 10% from Market Event Review 1.

Once a Market Event Review is triggered on any one particular asset class then a complete review of the investment portfolio will assess the cause of the volatility and if considered material (exogenous or investment specific) re-evaluate the validity of the investment thesis supporting the investment mix. An out of cycle review may result in assets being liquidated and capital re-deployed, conversely and more commonly, result in no action being taken at all, other than the report and assessment process.

* This will be based upon each asset class' corresponding Index and on daily closing price data. The Index used for each asset class is displayed in the table below.

Summary of Downside Market Event Review events are shown in the following table:

Asset Class	Benchmark / Index	Downside Market Event 1	Downside Market Event 2
Cash	n/a	n/a	n/a
Australian Fixed Interest	UBS Australian Composite Bond Index All Maturities	Fall of 5% from last high point since the previous quarter	Further fall of 5% from Market Event 1
International Fixed Interest	BarCap Global Aggregate Index Hedged \$A	Fall of 5% from last high point since the previous quarter	Further fall of 5% from Market Event 1
Australian Equities	S&P/ASX 200 Accumulation Index	Fall of 10% from last high point since the previous quarter	Further fall of 10% from Market Event 1
International Equities	MSCI World ex Aust Index \$A	Fall of 10% from last high point since the previous quarter	Further fall of 10% from Market Event 1
Alternative Assets	HFRI Fund Weighted Composite Index \$US	Fall of 10% from last high point since the previous quarter	Further fall of 10% from Market Event 1
Australian Property	S&P/ASX 300 A-REIT Accumulation Index	Fall of 10% from last high point since the previous quarter	Further fall of 10% from Market Event 1
International Property	UBS Global Real Estate Investors Index \$A	Fall of 10% from last high point since the previous quarter	Further fall of 10% from Market Event 1
Infrastructure	S&P GI Infrastructure NR Hedged \$A	Fall of 10% from last high point since the previous quarter	Further fall of 10% from Market Event 1

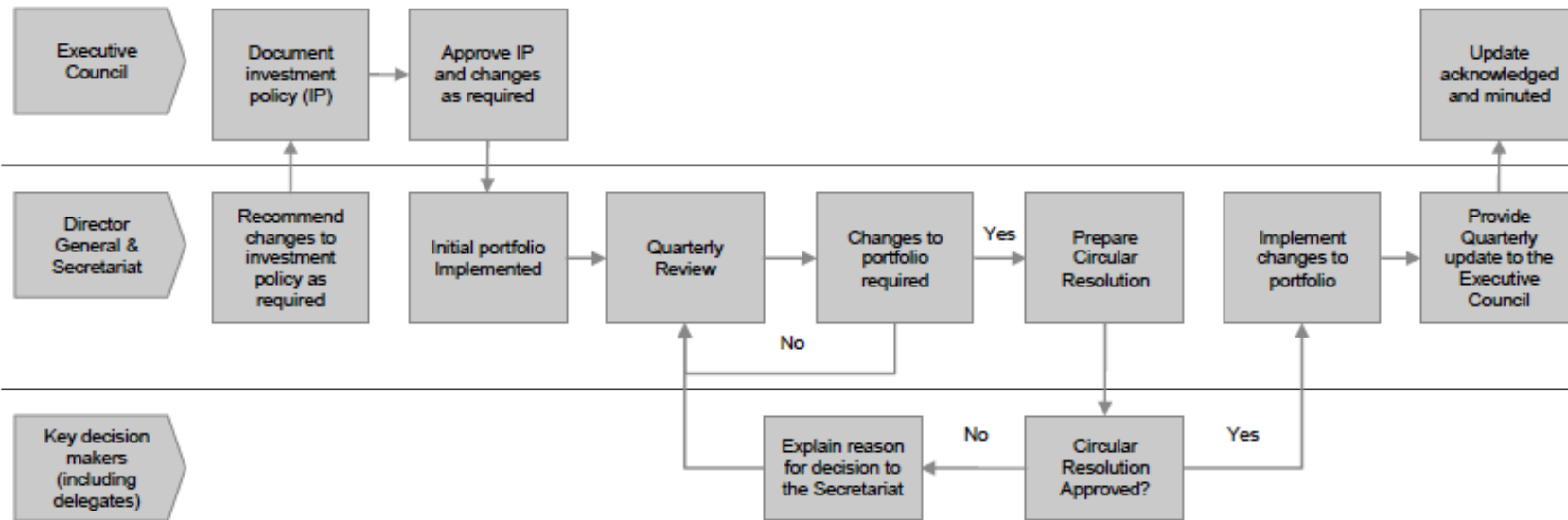
7.2.2 Capital preservation – Upside Review Events (Portfolio rebalancing)

Upside review events occur when the value of the investments have risen to the point where the portfolio can be moved to a more conservative asset allocation and still have a very high probability of achieving the organisation's objectives.

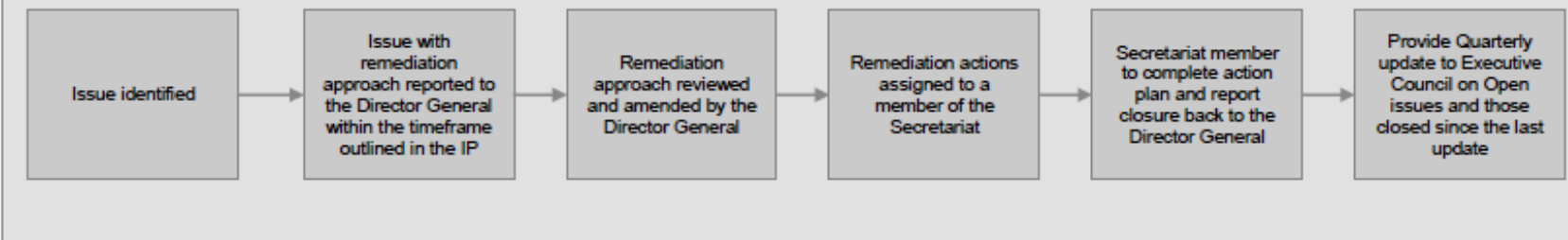
The portfolio is to be reviewed and where necessary rebalanced quarterly, on a quarter's-end basis.

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Investment Portfolio Management



Issues Management



Appendix A: Circular Resolution Template

CONFIDENTIAL

Secretariat

<Insert date of meeting>

Circulating Resolution for <Insert details of what is to be approved>.

1. PURPOSE

2. The purpose of this Circulating Resolution is to recommend that <Insert details of what is to be approved>.

3. BACKGROUND

3.1. Please refer to the attachments for the basis of these recommendations. Details required include the current investment and proposed investments positives, negatives and associated fees

4. RECOMMENDATIONS

4.1. It is recommended that the Secretariat resolve to:

5. <Detail recommended action>

6. RESOLUTIONS

6.1. Pursuant to the Secretariat, being all the Secretariat at the time this document is last signed, we are in favour of the resolution to:

6.1.1. <Repeat recommended action>

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<Secretariat member 1>

< Secretariat member 2>

< Secretariat member 3>

/ /

/ /

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.....

.....

.....

Name: <Business Representative>

Position: <Role within organisation>

Date: <Insert Date>

END OF CIRCULATING RESOLUTION

Summary of Ongoing Investment Advisory Services

Benefits to APNIC

- The Commonwealth Financial Planning Wholesale & Not For Profit (NFP) Team specialise in providing ongoing investment advisory services to board controlled organisations with a particular emphasis on the Not For Profit sector. They work with NFP clients to understand the services they offer to the community with a view of establishing a tailored and sustainable ongoing investment advisory solution based on their needs and objectives.
- Support to establish, implement and maintain the APNIC Investment Policy that becomes a roadmap for all investment decision making.
- Provision of active cash management across 6 different term deposit providers (being the CBA, BankWest, NAB, ANZ, Westpac/St George and Adelaide & Bendigo Bank) which mitigates counterparty risk and management of the reinvestment process with a single point of contact, avoiding calls between various banks.
- Comprehensive ongoing Investment Advisory service that includes selecting and monitoring all investments to meet agreed objectives. The service includes an economic review and outlook to ensure APNIC is always up to date with the latest information.
- Commonwealth Financial Planning utilises Colonial First State's FirstWrap Plus investment platform (FirstWrap Plus) which provides access to over 250 managed funds, all ASX-listed securities and a broad range of cash management options including Cash Management Trusts and a range of Term Deposits.
- FirstWrap Plus utilises an integrated web based technology ("Wrap") which allows data to be processed in an efficient and timely manner optimising data integrity. A market advantage of this technology is that the system is always live allowing it access to the latest information, and portfolio changes can be made quickly and easily.
- FirstWrap Plus operates under a custodial structure where the investor retains beneficial ownership of their investments.

Strategic Asset Allocation and Long Term Investment Reserve

Given the current market conditions, the Long Term Investment Reserve has been designed to target a medium term, defensive and income focused portfolio in order to provide a sustainable strategy for APNIC. This reserve has been designed to provide a stable income stream with low levels of volatility in the capital value. An appropriate investment time horizon is a minimum of 3 years.

The Strategic Asset Allocation has been designed for the medium term with the predominant allocation to cash and fixed income funds which invest in bonds. This provides diversification, mitigates reinvestment risk with active management and staggered maturities, with the added benefit of liquidity in the portfolio. The funds that will be considered for APNIC range from AA+ to AAA rated.

The NFP team have also recommended a small allocation (20% of the Investment Reserve) to growth investments in Australian equities, international equities, global listed infrastructure and global property. By introducing a defensive equity income position as well as property and infrastructure, the Reserve has the ability to tap into long term inflation hedged income which will become increasingly important in the coming years.

Asset Class	Strategic Asset Allocation (%)		
	Minimum	Maximum	Benchmark
Cash	0%	100%	30%
Fixed Interest	0%	80%	50%
Australian Equities	0%	20%	9%
International Equities	0%	20%	3.5%
Property and Infrastructure	0%	20%	7.5%

The benchmark for the Long Term Investment Reserve will be a weighted average of the UBS Bank Bill Index, UBS Australian Composite Bond Index (All Maturities), BarCap Global Aggregate Index (Hedged \$A), MSCI World ex Aust Index (\$A), UBS Global Real Estate Investors Index (\$A) and S&P GI Infrastructure NR Hedged (\$A).

Proposed Portfolio Characteristics

It is expected that the proposed portfolio characteristics would lie in between the characteristics of a Defensive Risk Profile and a Conservative Risk Profile.

Both of these characteristics have been outlined below for your information.

Defensive Risk Portfolio Characteristics

Probability of negative return	1 in 84.3 years	Expected annual income	5.1%
10 Yrs portfolio volatility (% std dev)	2.0% p.a.	Expected annual capital growth	0.5%
Annual volatility range (% std dev)	1.0% - 4.6% p.a.	Historical maximum annual return	18.6%
Historical nominal annual return	5.6%	Historical minimum annual return	-2.1%

This information is based on historical asset class benchmark performance since 1 January 1990 to 31 December 2011. Expect there to be 90% probability that the portfolio's returns will be within a range of 0.30% to 11.1% p.a. The largest drawdown experienced by this portfolio, from peak to trough, was 4.1%.

Conservative Risk Portfolio Characteristics

Probability of negative return in 1 year	1 in 11.5 years	Expected annual income	4.6%
10 Yrs portfolio volatility (% std dev)	3.9% p.a.	Expected annual capital growth	1.7%
Annual volatility range (% std dev)	Within 1.5% - 8.4% p.a.	Historical maximum annual return	22.4%
Expected nominal annual return	6.3%	Historical minimum annual return	-7.4%

This information is based on historical asset class benchmark performance since 1 January 1990 to 31 December 2011. Expect there to be 90% probability that the portfolio's returns will be within a range of -1.1% to 14.1% p.a. The largest drawdown experienced by this portfolio, from peak to trough, was 10.2%.

Ongoing Service & Reporting for APNIC

The table below summarises the reporting and ongoing service for APNIC.

Custodial Reporting	<ul style="list-style-type: none">› Secure online access to view the portfolio including reporting functionality 24/7;› Monthly Investment reports which include portfolio valuation reporting, transaction statements, asset allocation reporting, performance reporting and capital gains reporting; and› Annual reports will be delivered by mail and include the annual investor statement, the annual audit report and the annual tax statement in order to assist in calculating and claiming franking credits as a Not For Profit.
Ongoing Investment Advisory Service	<ul style="list-style-type: none">› An ongoing fee of 0.25% p.a. (including GST) is charged to you on a monthly basis.› Maintain the investment portfolio within the required parameters of the APNIC's investment policy;› A commitment to a quarterly review of APNIC's investments including an annual Executive Council presentation. Our quarterly review will include the following:<ul style="list-style-type: none">› Economic review and forecast;› Commentary on investment markets;› Investment review and forecast against the relevant benchmarks and APNIC's investment objectives;› Reporting of asset allocation position relative to the benchmark and ranges and action required to rebalance;› Review of changes to the investment portfolio since last update;› Notification of any issues;› Potential changes in light of the economic and investment forecast; and› Compliance to APNIC's Investment Policy.

Proposal for Investment Advisory Services



Asia Pacific Network Information Centre (APNIC)

This document was prepared on 09 October 2012 by

Kym O'Brien

Senior Business Financial Planner
Business & Private Banking
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P: (07) 3015 5404
Representative of Commonwealth Financial Planning Limited

Please read the 'Important Information' statement on the inside front cover

Commonwealth Financial Planning Limited

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Australian Financial Services Licensee: 231139
Head Office: 11 Harbour Street, Sydney NSW 2000
Telephone: 1300 720 526



Determined to be different

We are pleased to be able to submit this Proposal for the provision of Investment Advisory Services to APNIC.

The contents of this Proposal spans multiple members of the Commonwealth Bank Group and it is important that when reading this document that you understand which entity is offering to provide you with products and services. The Investment Advisory Services are provided by Commonwealth Financial Planning.

This Proposal is a confidential communication to the addressee and may not be disclosed to any other person without the prior written consent of the Commonwealth Bank and Commonwealth Financial Planning.

You have requested that we provide advice on APNIC's investment activities. For the purposes of the recommendations made in this document, Commonwealth Financial Planning has classified APNIC as a Wholesale client as defined under section 761G of the Corporations Act 2001. If you consider that this classification is incorrect, you should not implement any recommendations without first speaking with Kym O'Brien.

Important Information

This proposal has been prepared by Commonwealth Financial Planning Limited ABN 65 003 900 169, AFSL 231139 (Commonwealth Financial Planning) and the Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945 (Commonwealth Bank). Information in this proposal is based on our understanding of current laws and regulatory requirements as at 09 October 2012 and may be subject to change. While care has been taken in the preparation of this document, no liability is accepted by Commonwealth Bank, its related entities, agents and employees for any loss arising from reliance on this document. Past performance is no indication of future performance. All investments are subject to risk, including the loss of income and capital invested.

Commonwealth Financial Planning advisers are representatives of Commonwealth Financial Planning. Avanteos Investments Limited ABN 20 096 259 979, AFSL 245531 (Avanteos), is the operator of the FirstWrap Plus Investment platform. Commonwealth Financial Planning, Avanteos and Commonwealth Securities Limited ABN 60 067 254 399, AFSL 238814, are wholly-owned, non-guaranteed subsidiaries of the Commonwealth Bank.

Executive Summary

We are pleased to be able to provide a response to your request for the provision of investment services for APNIC.

APNIC's Objectives

This Proposal demonstrates the following capabilities of Commonwealth Financial Planning to meet APNIC's investment requirements:

- **Investment Policy:** Work with the APNIC's Executive Council/Secretariat Business Area to formulate and implement an Investment Policy .
- **Cost effective investment solution:** Provide a fully diversified investment solution that draws on the full capability of the CBA Group;
- **Ongoing investment advisory services:** That includes portfolio advice, construction, reporting, custody, formal reporting and presentations in accordance with APNIC's 'Investment Policy'.

Benefits to APNIC

- A coordinated approach from representatives across the Commonwealth Bank Group to draw maximum value for the APNIC.
- Our Investment advisory services feature:
 - Development of an Investment Policy for APNIC with CBA's strict Not For Profit investment guidelines to demonstrate financial prudence to APNIC's stakeholders.
 - Broader diversification amongst investment products, managers, asset classes and markets.
 - Comprehensive ongoing service that includes reporting, presentations, online access to portfolio valuations & reports, as well as ongoing monitoring of market review events and compliance to APNIC's Investment Policy.
- Dedicated relationship team across banking & investments fully supported by proactive product specialists with a commitment to working with you to provide tailored services and solutions to meet your needs;

“At the Commonwealth Bank we believe that a team approach is fundamental in helping our clients optimise their working capital and longer term investment needs. That’s why our bankers and investment specialists work together to provide collective solutions, as we find this approach is the most successful in meeting our clients’ total financial needs”.

Jack McCartney, General Manager, Business Wealth Management, Commonwealth Financial Planning

1. Statement of Capability

The Commonwealth Bank Group is one of Australia’s leading providers of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, custodial and investment and share broking products and services. The Group is one of the largest listed companies on the Australian Stock Exchange and is included in the Morgan Stanley Capital Global Index.

The Commonwealth Bank brand is the most recognised brand in the Australian financial services industry. Other award-winning brands within the Group include our wealth management businesses: Colonial First State, CommInsure, Commonwealth Financial Planning, and online broking service, CommSec.



In terms of scale, the Commonwealth Bank Group has a strong domestic presence with the largest customer base of any Australian bank and operates the largest financial services distribution network in the country with the most points of access.

In the Community

The Commonwealth Bank Group is a long-standing supporter of community activities and organisations. This support is directed at a broad range of activities that bring long term benefits to Australians and reflect community activities and organisations. Areas of particular emphasis include education, medical, youth, science and technology, the arts and the environment.

In the area of education, we aim to develop financial literacy, especially for youth, as well as online learning. We look to support educational programs which provide professional and credible learning activities.

The Commonwealth Bank encourages developments in education, including the development of financial literacy skills for young Australians. For more information on Commonwealth Bank’s community involvement, visit: www.commbank.com.au/sustainability.

Not For Profit Experience

Established in 1912, the Commonwealth Bank has been providing financial services for almost a century. We have extensive experience in structuring banking and wealth management solutions for Not For Profit organisations, corporations and high-net-worth investors. Commonwealth Financial Planning has drawn on this experience to recommend a long-term strategy tailored to the key requirements of APNIC.



Credentials

The CBA’s experience in offering unique solutions to clients has been recognised by both industry participants and investors through numerous prestigious awards and credentials.



> NetBank won Money magazine’s 2009 Consumer Finance Award in the category of **Banking Website of the Year** for the second consecutive year.



> Best Bank in Australia
> 12th safest bank in the world
> Best Web Site Designed in the 2009 World’s Best internet Banks in Asia



> Many of our products have received a CANEX 5-star rating in 2009, including the Business Online Saver and Premium Business Account.
> In addition, we received the Innovation Excellence Award as a result of all the new and innovative things our clients can do in Netbank.



> The Commonwealth Bank received the **2009 Australian Business Award for Community Contribution**, recognising our commitment to developing financial literacy skills in the community and for the work done by the Commonwealth Bank Foundation.



> Outstanding Private Banking Institution of the Year (in the \$1m to \$10m bracket).



> 2009 Banker of the Year: Ralph Norris
> 2009 International Bonds Issuer of the Year



> People’s Voice Winner: CommSec iPhone (Mobile Marketplace & Services)
> Webby Honouree: CommSec iPhone (Mobile Applications)



> National Award Winner: Finest Online
> National Award Commendation: CommBiz
> NSW State Winner: Finest Online
> NSW State Commendation: CommBiz



> Lender of the Year 2009



> Excellence in Internet Banking
> Excellence in Distribution Network Integration



> Banking Executive of the Year (Employee Choice) 2009: Ralph Norris
> Advertising/Marketing Campaign of the Year 2009: Debit MasterCard
> Best Chief Information Officer 2009
> Best Career Development Program 2009



> Employer of Choice for Women 2009



> Finalist Favourite IT/Communications category - NetBank

Experience In Investment Management

Business Wealth Management is a division of Commonwealth Financial Planning specialising in the business, high net worth and Not For Profit Clients. We offer a range of services including advice on succession planning, corporate superannuation, personal risk management, portfolio construction and retirement planning including self-managed super funds.

Our Not For Profit Investment Advisory Services entail:

- Investment Policy development;
- Strategic asset allocation and investment product selection; and
- Ongoing portfolio management.

Business Wealth Management advisers are representatives of Commonwealth Financial Planning Limited. Commonwealth Financial Planning has been providing financial advice to Australians for more than two decades. As one of Australia's largest and best-resourced financial planning businesses, Commonwealth Financial Planning has more than 700 advisers nationwide and over 100 support staff giving you the confidence that we have the scale, resources and experience of one of Australia's largest dealer groups behind us.



References

Commonwealth Financial Planning currently provides advisory services to a number of Not For Profits that include:

- McGrath Foundation
- Asthma Foundation NSW
- Westfund Health Insurance

“Following our decision in late 2009 to select CBA Financial Planning we have been extremely well looked after by the CBA team who demonstrate a very strong understanding of our needs as an NFP. The transfer of existing investments and subsequent rebalancing of our portfolio was handled seamlessly with minimal intervention from us and well exceeded our expectations. I feel our account manager keeps us very well informed and has provided significant assistance in a recent rework of our investment policy a key element of our overall approach to governance around our investments.”

Treasurer, Asthma Foundation NSW

Your CBA Team

We have assigned a Relationship and Investment Advisory Team ensuring our ongoing service promise is delivered. The Relationship and Advisory Team is responsible for providing APNIC with advice and ongoing service. A program will be delivered to ensure we continue to meet your service and advice expectations.

**Relationship
and Advisory
Team**



Vanessa Nolan-Woods
General Manager
Education & Not For Profits
Corporate Financial Services
Commonwealth Bank



David Tagg
Head of Wholesale Investments
Business Wealth Management
Commonwealth Financial Planning



Craig Moore
Executive Manager
Business Wealth Management QLD
Commonwealth Bank



Kym O'Brien
Senior Business Financial Planner
Business Wealth Management
Commonwealth Financial Planning



Scott McKay
Sales Specialist
Transactional Banking QLD
Corporate Financial Services
Commonwealth Bank



Helen Ioannou
Wholesale Investments Team Analyst
Business Wealth Management
Commonwealth Financial Planning

Proposed Lead Contact Persons, Qualifications and Experiences

David Tagg – Head of Wholesale Investments

David Tagg is Head of Wholesale Investments, responsible for management of the business unit nationally. David works with our Wholesale Advisers and their clients that include Corporations and Institutions, with a particular emphasis on the Not For Profit sector.

David has worked in financial services for 23 years. Prior to his position at Commonwealth Bank David was Director of Institutional Business at Societe Generale Asset Management for more than 5 years. In this role David delivered Investment Strategies to clients covering Global Equities, International Fixed Income, Private Markets, Hedge Funds and Structured Products. Clients included Superannuation Funds, Government Bodies, Endowments and Other Fund Managers. Prior to joining Societe Generale David worked for Colonial First State as National Manager, Wholesale Business Development. David has qualifications in Finance and Applied Finance, is a Fellow of ASFA, and is presently completing a Masters of Applied Finance. David brings to the team extensive experience working with many of the country's largest investors.

Kym O'Brien - Business Financial Planner

Kym is a Senior Business Financial Planner & Chartered Accountant with 17 years experience in the financial services industry. Kym specialises in Investment Advisory and Risk Management for large organisations including the Not for Profits sector. Kym's qualifications include Chartered Accountants Program, Graduate Diploma of Applied Finance & Investments - Financial Advising Essentials, Bachelor of Business (Accountancy), Diploma of Superannuation Management, Certificate of Superannuation Management and Risk Management.

2. Investment Policy & Investment Management

Our Not For Profit team specialise in working with Not For Profit clients and our services entail:

- Investment Policy
- Investment Selection
- Ongoing Investment Advisory Service

Investment Policy

If our proposal is successful we will work with you to review, formulate & implement an Investment Policy for APNIC to assist with ongoing investment management and changes to the Investment Portfolio. This Investment Policy will be tailored to the requirements of APNIC and incorporate our strict Not For Profit investment guidelines.

The Investment Policy is an integral document outlining the basis to make and manage all investment decisions for cash surpluses and reserves. It is guided by the conservative and prudent risk appetite of our clients and the investment objectives as outlined by the APNIC Executive Council and Secretariat Business Area. Importantly, as a Not For Profit investment fund, there is a need to manage the portfolio in a fashion that does not take on levels of risk that endanger the capital base.

The Investment Policy aims to provide a process and strategy to:

- Be consistent with and support your Business Plan (including your liquidity and cap-ex requirements);
- Implement a Sustainability Strategy to protect and grow the asset base of your investment reserves;
- Implement a sound decision making process for the Executive Council & Secretariat Business Area; and importantly
- Demonstrate financial prudence to your Stakeholders.

An investment policy provides a framework for the Secretariat Business Area to follow when making investment decisions and articulates APNIC’s:

- investment philosophy and strategy;
- investment objectives and expectations;
- appetite for risk; and
- ongoing investment management and decision making processes.

The following summary provides the overview of the elements that when combined support an Investment Policy.

1. Investment Philosophy & Risk Management requirements of the Organisation

2. Investment Parameters	Market Segmentation
Preservation of Capital	Currency Management
Diversification	Custodian Risk
Markets	Fees & Taxes
Liquidity	Alternative Asset Classes
Passive vs Active Management	Investment Credit Rating Standards
Strategic vs Tactical Asset Allocation	Portfolio Benchmarks
Portfolio Investment Management Style	Portfolio Management Policy
Optimal Number of Managers	Portfolio Review events
Direct Investment Parameters	Performance Measurement
Ethical /Legislative Overlay	Legislative Compliance

3. Investment Policy Decision Making Process & Ongoing Investment Management

By having a formally documented Investment Policy that sets guidelines on investment growth and management, it provides formal recognition to the due process required for investment management and decision making. A sustainable strategy like this will allow the Executive Council to make investment decisions in a set framework that aims to grow and protect capital, demonstrating financial prudence to stakeholders.

“The importance for an organisation of having an explicit investment policy document cannot be understated. It should be an extension of a statutory body’s business planning, and form the primary building block of an intentional investment process. An investment policy provides guidance for those undertaking the investment process. Without an approved investment policy, the investment officers may make investment decisions that may not be in accordance with the objectives, practices or risk appetite intended by the organisation.”

Queensland Government Treasury “Investment Policy Guidelines for Statutory Bodies” December 2007

Investment Selection

Once the Investment Policy is established we can proceed to implement the funds to meet the objectives of APNIC.

We have a conservative Investment approach for our Not For Profit clients with a focus on:

1. Investment Policy.
2. Risk management process.
3. Fundamental research.
4. Diversification and Capital preservation.
5. Long term investment principles of buying and holding quality assets.

Investment Research Resources

In the Wholesale Investments Team we draw on the full capability of the Commonwealth Bank Group. We have access to research capability from the following:

- Commonwealth Bank of Australia
- Colonial First State Investments Limited
- Commonwealth Securities Limited (CommSec)
- Morningstar
- Aegis

Our business partners include:



You have requested that we provide advice on APNIC’s investment activities. For the purposes of the recommendations made in this document, Commonwealth Financial Planning has classified APNIC as a Wholesale Client as defined under section 761G of the Corporations Act 2001. If you consider that this classification is incorrect, you should not implement any recommendations without first speaking with Kym O’Brien.

This section contains two types of advice: general advice about strategies and products; and personal advice about asset allocation for your nominated investment reserves. Only the personal advice has been based on the information you have supplied in our meeting on the 17 September 2012.

This section contains information on a notional portfolio and has been based on the information provided from our last meeting. This specifically relates to the investments in accordance with the listed investment objectives:

APNIC’s Objectives & Reserves

Our recommendations have been designed to cover APNIC’s financial objectives for the Investment Reserve as follows:

- Long term investment reserve of \$11m to provide an attractive, stable income stream coupled with nominal levels of capital growth and price volatility to build an endowment.

We recommend that the APNIC create 1 reserve pool to meet its objectives. The table below sets out our recommendations.

Entity	Category / Reserve	Investment Objectives	Amount (\$)
APNIC	Long Term Investment Reserve	<ul style="list-style-type: none">- This reserve is to be held to generate income and capital growth for APNIC to build an endowment.- The investment reserve is intended to deliver medium term growth and will accrue any surplus income.- Funds in this reserve will be held in medium term investments while maintaining direct access and liquidity.	\$11M

Strategic Asset Allocation

The table below contains our proposed Strategic Asset Allocation for the reserve pools we recommend. Please note that minor variations between the target asset allocation and the actual asset allocation in the recommended portfolio can occur. These variances may be due to strategic bias on a specific sector or region or an investment manager’s need to hold cash in their funds to meet liquidity requirements or to fund future investment opportunities. If you choose to use our investment advisory services we will clearly explain any variances and how these may impact on your portfolios’ performance.

Long Term Investment Reserve

Given the current market conditions, the Investment Reserve will target a medium term, defensive and income focused portfolio in order to provide a sustainable strategy for APNIC. This reserve has been designed to provide a stable income stream with low levels of volatility in the capital value. An appropriate investment time horizon is a minimum of 3 years.

The Strategic Asset Allocation has been designed for the medium term with the predominant allocation to cash and fixed income funds which invest in bonds. This provides diversification, mitigates reinvestment risk with active management and staggered maturities, with the added benefit of liquidity in the portfolio. The funds we have been considering for clients range from AA+ to AAA rated, which is arguably higher than what is available in the term deposit space.

We have also recommended a small allocation (20% of the Investment Reserve) to growth investments in Australian equities, global listed infrastructure and global property. By introducing a defensive equity income position as well as property and infrastructure, we incorporate the ability to tap into long term inflation hedged income which will become increasingly important in the coming years.

The proposed Strategic Asset Allocation outlined in the below table was developed based on the APNIC’s financial needs and objectives for this reserve.

Asset Class	Strategic Asset Allocation (%)
Cash <i>Benchmark(s): UBS Bank Bills Index</i>	30%
Fixed Interest <i>Benchmark(s): Australian Fixed Interest - UBS Australian Composite Bond Index All Maturities, International Fixed Interest – Barcap Global Aggregate Index Hedged \$A</i>	50%
Australian Equities <i>Benchmark(s): S&P/ASX 200 Accumulation Index (Direct Equities S&P/ASX 200 Index)</i>	9%
International Equities <i>Benchmark(s): MSCI World ex Aust Index \$A</i>	3.5%
Property & Infrastructure <i>Benchmark(s): Australian Property – S&P/ASX 200 A-REIT Accumulation Index, International Property – UBS Global Real Estate Investors Index \$A</i>	7.5%
Total	100%

The Proposed Portfolio Characteristics

We expect that the proposed portfolio characteristics would lie in between the characteristics of a Defensive Risk Profile and a Conservative Risk Profile.

Both of these characteristics have been outlined below for your information.

Defensive Risk Portfolio Characteristics

Probability of negative return	1 in 84.3 years	Expected annual income	5.1%
10 Yrs portfolio volatility (% std dev)	2.0% p.a.	Expected annual capital growth	0.5%
Annual volatility range (% std dev)	1.0% - 4.6% p.a.	Historical maximum annual return	18.6%
Historical nominal annual return	5.6%	Historical minimum annual return	-2.1%

This information is based on historical asset class benchmark performance since 1 January 1990 to 31 December 2011. Expect there to be 90% probability that the portfolio's returns will be within a range of 0.30% to 11.1% p.a. The largest drawdown experienced by this portfolio, from peak to trough, was 4.1%.

Conservative Risk Portfolio Characteristics

Probability of negative return in 1 year	1 in 11.5 years	Expected annual income	4.6%
10 Yrs portfolio volatility (% std dev)	3.9% p.a.	Expected annual capital growth	1.7%
Annual volatility range (% std dev)	Within 1.5% - 8.4% p.a.	Historical maximum annual return	22.4%
Expected nominal annual return	6.3%	Historical minimum annual return	-7.4%

This information is based on historical asset class benchmark performance since 1 January 1990 to 31 December 2011. Expect there to be 90% probability that the portfolio's returns will be within a range of -1.1% to 14.1% p.a. The largest drawdown experienced by this portfolio, from peak to trough, was 10.2%.

Approach to Responsible Investing

We seek to integrate a consideration of Environmental Social and Governance (ESG) issues into every investment process across the organisation. Testament to this is the fact that Colonial First State Global Asset Management (GAM) business has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since March 2007.

Signatory of:



Investment Options

Within the reserve for APNIC we recommend exposure to a diversified pool of assets and can introduce bespoke investment products tailored to our Not For Profit clients. Our investment capability is detailed below.

Defensive Assets - Term Deposits & Fixed Interest

Fixed-interest investments, such as bonds, term deposits, and managed funds are often seen as a purely defensive asset – but when carefully selected, they can also generate real returns.

Term Deposits – We can assist you select an appropriate range of competitive Term Deposits options over a range of terms on the FirstWrap platform. To illustrate our capabilities with regards to Term Deposits, please find below a sample of Term Deposit products available. Rates for these products as at 09 October 2012 are as follows. Please note that these are indicative and subject to daily change.

Duration of Term Deposit	CommInvest Term Deposit	Adelaide Bank Term Deposit	National Australia Bank Term Deposit	St George Term Deposit	BankWest Term Deposit	ANZ Term Deposit
1 Month	3.95%	4.00%	3.60%	4.20%	n/a	n/a
2 Months	4.00%	4.25%	3.95%	4.40%	n/a	n/a
3 Months	4.60%	4.55%	4.50%	4.50%	4.75%	4.50%
4 Months	4.05%	4.30%	4.46%	n/a	n/a	n/a
5 Months	4.05%	n/a	4.46%	n/a	n/a	n/a
6 Months	4.60%	4.65%	4.55%	4.70%	4.60%	4.50%
7 Months	4.10%	n/a	4.53%	n/a	n/a	n/a
8 Months	4.10%	n/a	n/a	n/a	n/a	n/a
9 Months	4.15%	n/a	4.50%	4.55%	n/a	4.50%
10 Months	4.15%	n/a	n/a	n/a	n/a	n/a
11 Months	4.15%	n/a	n/a	n/a	n/a	n/a
12 Months	4.60%	4.65%	4.55%	4.55%	4.00%	4.50%
2 Years	4.40%	4.70%	4.55%	4.70%	n/a	4.30%
3 Years	4.95%	4.75%	4.60%	4.75%	n/a	4.45%

Different rates may apply for amounts over \$1M for CommInvest and Adelaide Bank, \$5M for National Australia Bank and \$2M for BankWest.

Fund Managers

Commonwealth Financial Planning works with our research partners to arrive at an Approved Products List which contains more than 250 investment options. From this list your advisory team will select funds to meet with the objectives stated in your Investment Policy. Both qualitative and quantitative factors are used in approving funds for the list including:

- External Research ratings
- Stability of business model and quality / experience of the management team
- Liquidity of the investment (pricing frequency)
- Length of track record and investment performance
- ESG criteria
- Size of fund(s)
- Fees and tax effectiveness
- Asset class / sub asset class
- Style, market cap, geographic and sector biases

From the Approved Products your advisory team will then take account of the APNIC's investment objectives in constructing a portfolio. We design portfolios to achieve adequate diversification and minimise bias to any one management style. We also take account of currency risk, cost and tax efficiency and geographic and sector exposures of fund managers.

Commonwealth Financial Planning has access to over 40 fixed interest managed funds with both domestic and international exposure that we can recommend to you. Outlined below are a sample of the funds available.

Example Investment Descriptions

Cash & Fixed Interest

Asset Class	Fund Manager	Description
Cash & Fixed Interest	CFS Wholesale Cash Fund	The objective of the fund is to provide a regular income stream from investment in money market securities with a very low risk of capital loss. The fund typically invests in high quality money market securities with predominantly short terms to maturity to achieve a stable income stream.
	EQT PIMCO Global Bond Fund (Hedged)	This fund looks to generate the highest total return by investing in a mixture of government, corporate, mortgage, high-yield, and emerging-markets securities while keeping volatility at a similar level to that of the benchmark (Barclays Capital Global Aggregate Bond Index hedged A\$). The manager adds value from a combination of top-down strategies (such as duration, country allocation, and yield-curve and sector rotation), and bottom-up security selection. The fund is fully hedged into Australian dollars.
	Aberdeen Australian Fixed Income	The option will be generally invested in Australia dollar denominated Commonwealth, semi-government, asset-backed securities and corporate bonds, as well as interest rate and credit derivatives. The manager's investment approach is designed to provide investors with exposure to a well-diversified portfolio of preferred securities selected from the universe of debt traded in the fixed income marketplace.
	Macquarie Income Opportunities	The fund's objective is to generate income by investing in the full spectrum of domestic credit based securities, with the potential to invest in global credit-based securities. The option aims to provide higher income returns than traditional cash investments and has some volatility over the short time periods.
	Colonial First State Wholesale - Diversified Fixed Interest Fund	The fund invests in a highly diversified portfolio of Australian and international fixed-interest and floating-rate securities. They will take a top-down approach applying their "value for risk" investment philosophy in managing the fund's duration limit, yield curve and country and sector allocations. Colonial First State (CFS) might not necessarily hold each security to maturity as the manager does not employ a "buy and hold" philosophy. Beta exposure to the underlying subsectors is gained through other Colonial First State Global Asset Management (CFS GAM) fixed-interest and credit funds.

	Tyndall Australian Bond	To provide investors with fixed interest returns from Australian bond investments with an aim to outperform benchmark returns over any rolling three-year period. The Tyndall Australian Bond Fund is a managed investment scheme that invests primarily in Australian high quality investment grade fixed interest. The focus of the Fund is to hold and actively manage exposures in investment grade Australian bonds, taking advantage of interest rate movements and the pricing of liquidity and credit risk in the fixed income market. The Fund's portfolio is comprised of high quality investment grade securities.
	CFS Global Credit Fund	To provide income-based returns which exceed, over the medium term and before fees, the return available from cash by investing in a diversified portfolio of higher yielding Australian and international fixed interest investments. The option invests in a portfolio of predominantly global corporate debt investments. The option's strategy is to earn an income return from its investments, controlling risk through careful selection and monitoring, combined with broad diversification. The increased credit risk of corporate debt means that these investments have the potential to deliver higher returns over the medium term compared to cash. The option uses derivatives to manage interest rate sensitivity and credit risk, and to hedge currency risk.

Growth Assets – Property, Infrastructure, Australian and Global Equities

Through a comprehensive range of managed funds and exchange-traded funds, we can assist you in gaining exposure to a diversified pool of assets, including high-growth sectors and international markets, which may otherwise be difficult to access. Through Colonial First State and our global partners we provide access to some of Australia’s highest-rated and best-performing funds.

Funds – Commonwealth Financial Planning has access to over 130 managed funds accessing both domestic and international markets that we can recommend. The following list of funds provides a sample of the quality managers available

Asset Class	Fund Manager	Description
Australian Equities	Zurich Investment Equity Income	The Fund aims to provide investors with regular income and some capital growth from the Australian share market. The Fund invests in a range of securities listed on the Australian Securities Exchange that are expected to deliver a regular income stream. The Fund maintains a portfolio of bought and sold options over shares and equity index futures in order to deliver additional income and reduce investment risk.
	Perennial Value Shares	The Trust invests in a range of companies listed (or soon to be listed) on the ASX which Perennial Value, the investment manager, believes have sustainable operations and whose share prices offer good value. The objective of the Fund is to grow the value of your investment over the long term via a combination of capital growth and tax effective income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis.
	Ausbil Emerging Leaders	To provide long-term growth by investing in both mid and small-cap stocks which possess potential for superior growth. The option invests to obtain a wide range of assets consisting of listed Australian Equities. The securities are primarily chosen from the S&P/ASX 300 Index, but generally exclude securities from the S&P/ASX 50 Leaders Index. The option invests in both mid and small cap stocks which possess potential for superior growth.
	CFS Australian Equity Income Fund	The Fund’s strategy is to focus on income generation by investing in Australian shares and hybrid securities. The option uses derivatives to generate additional income and adjust the risk and return characteristics of the portfolio and individual holdings. In the selection of Australian shares, the Fund Manager utilises the Core Equity investment process. On occasion, the Fund Manager may opportunistically short sell securities and predominantly invests in Australian dollar denominated securities and therefore does not hedge currency risk.
	Schroder Australian Equity Fund	To outperform the S&P/ASX 200 Accumulation Index over the medium to long term. The core of Schrodgers' investment philosophy is that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share

		price out performance in the long term. The ability to generate superior returns is a function of industry dynamics and company competitive advantage.
International Equities	Magellan Wholesale Global	The primary objectives of the Fund are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss. The Fund primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash. The Fund can use foreign exchange contracts to facilitate settlement of stock purchases and to mitigate currency risk on specific investments within the portfolio. It is not our intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.
	Realindex RAFI Global Share Hedged	The Realindex RAFI Global Share Hedged option applies the enhanced Research Affiliates Fundamental Index (RAFI) methodology to global shares. The strategy selects and weights companies according to their economic footprint as opposed to market capitalisation as defined by fundamental measures of company size (sales, cash flow, book value and dividends). This fundamental indexing approach typically results in the funds exhibiting a mild 'value' bias relative to a market cap weighted index and they are therefore expected to outperform during 'down' markets and underperform in the later stages of a 'bull' market. The portfolio is further enhanced by applying additional factors such as quality of earnings and debt coverage. This option aims to hedge currency risk. The passive nature of these strategies provides investors with a low cost, low turnover entry point to the respective asset classes.
	CFS Generation Global Share	Generation is an active, bottom-up, global equity manager that incorporates "sustainability" criteria in its investment process. Generation's philosophy embodies the principles of "sustainable investing", which rests on the belief that economic, health, environmental, social and governance factors all affect a company's long term competitive advantage and its ability to grow profitably. Stock selection is primarily driven by Generation's proprietary "Industry Road Maps", which are detailed, thematic research documents, highlighting long-term strategic trends in key industries.
	MFS Global Equity Trust	To seek capital appreciation over the longer term by investing in a diversified portfolio of global shares (unhedged). The fund invests in all types of common stocks and equivalents of international and domestic issuers.
Property & Infrastructure	AMP Global Property Securities	To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis. The Fund invests primarily in Real Estate Investment Trusts (REITs) and property securities companies listed on share markets around the world. The Fund may hold up to 10% in cash. Where it is consistent with the Fund's investment objectives, the Fund may also invest in other financial products such as managed funds and securities.

	RARE Infrastructure Value Fund	The fund seeks to deliver investors a broadly diversified exposure to global infrastructure investments. A bottom-up, research-driven approach to stock selection is used which represents about 80% of the investment process. The remaining 20% represents top-down macro inputs. The investment approach can broadly be described as value-based. Long-term, fundamental analysis is used to identify attractively priced investment opportunities using a discounted cash flow methodology. Currency exposures are fully hedged.
	Macquarie Infrastructure Securities	The Fund seeks to provide a return comprising both income and capital growth by investing in a portfolio of global infrastructure securities. The Fund aims to outperform the Macquarie Global Infrastructure Total Return Index (\$A Hedged) over the medium to long-term. The Fund hedges its foreign currency exposure to \$A and can borrow up to 20% of the gross asset value of the Fund. The suggested investment timeframe is at least five years. The Fund can invest in globally listed or expected to be listed infrastructure securities issued by entities that have as their primary focus (in terms of income and/or assets) the management, ownership and/or operation of infrastructure and utilities assets.
	CFS Global Listed Infrastructure Securities	This option aims to deliver capital growth and inflation-protected income by investing in a globally diversified portfolio of listed infrastructure and infrastructure-related securities. The option's strategy is based on an active, bottom-up security selection process that aims to exploit market inefficiencies, utilising fundamental, qualitative and valuation analysis. The option then looks to integrate this stock selection with risk managed portfolio construction. This option invests in infrastructure and infrastructure-related companies. The assets held by these companies typically have high barriers to entry, strong pricing power, sustainable growth and predictable cash flow. This option targets companies with robust business models and strong management execution. This option aims to hedge its currency exposure.

Other Investment Opportunities

Capital Guaranteed Investment

We often find after working with our clients that reserves build and they have an interest in diversifying to other investment options. At that time and if appropriate to your Investment Policy, we can demonstrate our broader Investment capability.

With cash rates currently in decline, we have worked with our Institutional Banking & Markets team to design a tailored investment for Wholesale clients. This was a 5 year CBA Capital Guaranteed investment and given the term, it therefore only appropriate to smaller sums of investment. As an indication this provided a fixed coupon of 5% p.a for 2 years, thereafter a floating rate of approximately 120bps above BBSW.

Another similar investment was recently provided to a client seeking equity like returns without the downside risk. We structured another CBA Capital Guaranteed Investment with a 5 year term that had a fixed interest amount of 3.75% per annum, plus the potential to receive an additional Contingent Interest Amount providing total interest of up to a cap of 9% pa. This was dependent on the performance of a basket of ASX Equities. Of importance for our client, this investment was issued by the Bank's Domestic Debt Program and ranked as Senior Debt. Whilst this is not as high as a standard Deposit ranking, is above Subordinated Debt and Equity and could be classed as a Deposit from an accounting perspective.

These are examples of the types of investments and services we provide to our conservative client base.

Listed Securities

Through insights and trading tools from CommSec’s highly-regarded equities team, we can construct listed securities portfolios with the aim to deliver the outcomes you are looking for. We can tailor listed securities portfolios aimed at meeting your growth and income requirements. When building a portfolio we adopt a quantitative and qualitative approach to stock selection.

To help achieve diversification, individual portfolio stock weightings will generally range between 4% and 15% of the total Australian Equities allocation.

When constructing a listed securities portfolio, we would strictly adhere to My Leave’s Investment Policy. In addition, we have a number of rules that companies need to meet in order to be selected into the portfolio for our Not For Profit clients, which are set out in the tables below.

Risk control	Detail
Selection Criteria	Consideration for the fundamentals of the underlying institution include: <ul style="list-style-type: none"> › Stocks must have a debt/equity ratio of below 50% › For stocks with a debt/equity ratio of between 50 - 60%, their interest cover must be between 5 -10 times, and › For stocks with a debt/equity ratio of 60 - 70%, their interest cover must be between 10 - 15 times › All stocks must have a minimum interest cover of 2.5 times. › The rationale behind this theory is that if the stocks encounter a profit downgrade/warning, they will have sufficient funds to cover the debt repayments
Concentration Risk	<ul style="list-style-type: none"> › In terms of concentration risk, to help achieve diversification, individual portfolio stock weightings will generally range between 4% and 15%. › Diversification within the different sectors cannot be more than 3x the Index Allocation and this is capped at 50%. › Exposure to an individual security, based on original cost, will not exceed 15% of the total Australian Equities portfolio.

Ongoing Investment Management via our Custodial Platform

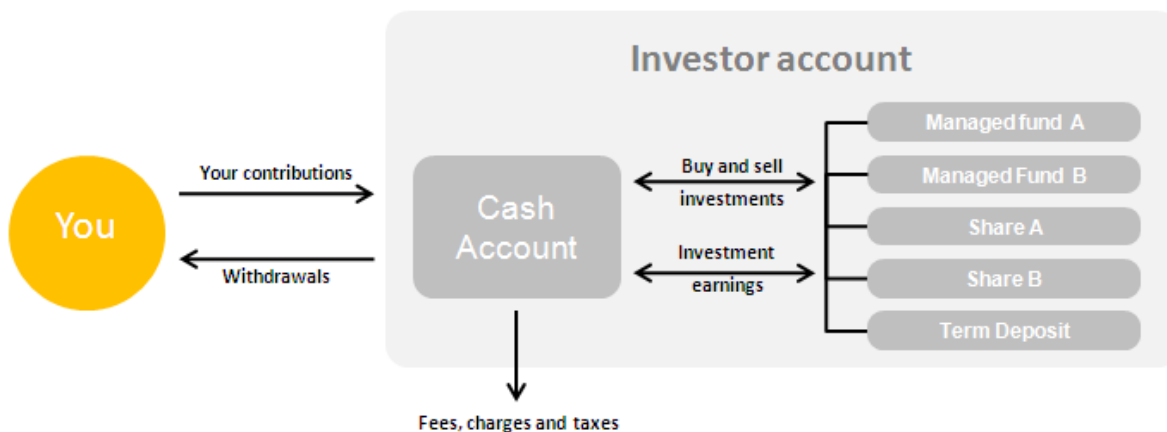
Commonwealth Financial Planning utilises Colonial First State’s FirstWrap Plus investment platform (FirstWrap Plus) which provides access to over 250 managed funds, all ASX-listed securities and a broad range of cash management options including Cash Management Trusts and a range of Term Deposits.

FirstWrap Plus utilises an integrated web based technology (“wrap”) which allows data to be processed in an efficient and timely manner optimising data integrity. A market advantage of this technology is that the system is always live allowing it access to the latest information, and portfolio changes can be made quickly and easily.

FirstWrap Plus operates under a custodial structure where the investor retains beneficial ownership of their investments. It is operated by Avanteos Investments Limited, which is ultimately a wholly owned non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48123123124.

Features	Choice
<ul style="list-style-type: none"> ▪ 24/7 online access ▪ Asset portability ▪ Optional manual registry for external assets ▪ Straight through processing ▪ Comprehensive reporting: ▪ Portfolio valuation reporting ▪ Transaction statements ▪ Asset allocation reporting ▪ Performance reporting ▪ Capital gains reporting ▪ Annual investor statement ▪ Annual audit report ▪ Annual tax statement ▪ Quarterly portfolio report 	<ul style="list-style-type: none"> ▪ More than 250 managed funds ▪ All ASX-listed shares ▪ Interest rate securities ▪ Exchange Traded Funds ▪ Term deposits across 6 bank providers ▪ Cash Management Trusts ▪ Alternative investment funds ▪ Structured Investments ▪ Direct Bonds

Using FirstWrap Plus, we can also develop a complete cash management strategy to meet your liquidity and diversification requirements. Central to this strategy is the FirstWrap Plus cash hub, an ‘at call’ cash management trust that holds investment monies until instructions to invest are actioned. Interest on this cash account is calculated daily and paid monthly.



As part of our platform we are able to offer APNIC and related entities the ability to run multiple accounts. These would be reported separately but grouped together for the purposes of pricing, delivering economies of scale.

3. Ongoing Service & Reporting

The table below summarises our reporting and ongoing service for APNIC.

Custodial Reporting	<ul style="list-style-type: none">› Secure online access to view the portfolio including reporting functionality 24/7;› Monthly Investment reports which include portfolio valuation reporting, transaction statements, asset allocation reporting, performance reporting and capital gains reporting; and› Annual reports will be delivered by mail and include the annual investor statement, the annual audit report and the annual tax statement in order to assist in calculating and claiming franking credits as a Not For Profit.
Ongoing Investment Advisory Service	<ul style="list-style-type: none">› Maintain the investment portfolio within the required parameters of the APNIC's investment policy.› We also commit to a quarterly review of APNIC's investments including an annual Executive Council presentation. Our quarterly review will include the following:<ul style="list-style-type: none">› Economic review and forecast;› Commentary on investment markets;› Investment review and forecast against the relevant benchmarks and APNIC's investment objectives;› Reporting of asset allocation position relative to the benchmark and ranges and action required to rebalance;› Review of changes to the investment portfolio since last update;› Notification of any issues;› Potential changes in light of the economic and investment forecast; and› Compliance to APNIC's Investment Policy.

4. Fees & Charges

If you choose to engage our investment advisory services, the following fees and charges will apply.

Cost	Detail
Investment Policy Fee	<ul style="list-style-type: none"> ▪ \$9,900 (including GST).
Wholesale Fund Manager Fees	<ul style="list-style-type: none"> ▪ The fees and costs charged by the fund manager or service operator for managing your investment and are built into the unit price of the investment. Active managers typically charge fees in the range of 0.40%-1.87% per annum (including GST) subject to the manager selected. ▪ There are no entry and exit fees on the investments but with managed funds there are buy/sell spreads built into the unit price of the investment.
Brokerage Costs	<ul style="list-style-type: none"> ▪ A fee representing 0.55% (including GST) of the traded amount is charged by CommSec as brokerage on all share trades made on an investment platform.
Ongoing Investment Advisory Service	<ul style="list-style-type: none"> ▪ An ongoing fee of 0.25% p.a. (including GST) is charged to you on a monthly basis. <p>This includes:</p> <ul style="list-style-type: none"> ▪ Maintain the investment portfolio within the required parameters of the APNIC’s investment policy. <p>We also commit to a quarterly review of APNIC’s investments including an annual Executive Council presentation. Our quarterly review will include the following:</p> <ul style="list-style-type: none"> ▪ Economic review and forecast; ▪ Commentary on investment markets; ▪ Investment review and forecast against the relevant benchmarks and client investment objectives; ▪ Reporting of asset allocation position relative to the benchmark and ranges and action required to rebalance; ▪ Review of changes to the investment portfolio since last update; ▪ Notification of any issues; ▪ Potential changes in light of the economic and investment forecast; and ▪ Compliance to APNIC’s Investment Policy.

There are no ancillary costs or any additional charges to what has been displayed above.

Please note – The portion invested into Term deposits will neither have a Manager Fee nor a Brokerage cost. The portion invested into a direct equity portfolio will only incur a brokerage cost.

5. Compliance

Statement On Compliance With Laws And Quality Process

Risk and Compliance Management Arrangements

Your Adviser is a representative of Commonwealth Financial Planning. As a representative of Commonwealth Financial Planning, your Adviser must adhere to compliance policies, internal audit reviews, ongoing professional development and procedures issued by Commonwealth Financial Planning.

Advisers attend regular training sessions, seminars and market updates to ensure they are familiar with current legislation, changes to the investment industry and market trends.

Summary of Relevant Authorities, Licences and Insurances

Commonwealth Financial Planning Limited ABN 65 003 900 169 (Commonwealth Financial Planning) is the holder of an AFS Licence (AFS Licence No. 231139) and is responsible for the financial product advice given to you. Your Adviser is a representative of Commonwealth Financial Planning and provides services on its behalf.

Conflicts of Interest

We are currently unaware of any actual or potential conflicts of interest that may arise should APNIC appoint Commonwealth Financial Planning as its investment adviser. Commonwealth Financial Planning has a dedicated internal compliance team who support advisers in achieving and maintaining high standards of professional conduct and services.

Pursuant to our respective Australian Financial Service Licence, the Commonwealth Bank and Commonwealth Financial Planning are required to have in place arrangements for the management of conflicts of interest in relation to the financial services they each provide. A core obligation under an AFS Licence, which also applies to each Licensee's representatives, is to operate efficiently, honestly and fairly. Their conflicts of interest policies have been developed to:

- Protect our clients;
- Identify the potential areas of conflicts;
- To outline the strategies used to manage potential conflicts of interest situations in our business activities;
- Ensure compliance with our legal and industry obligations;
- Promote effective decision making within our team; and to
- Protect the reputation of our business.

APNIC Executive Council

Joint Meeting with the RIPE NCC Board

13 May 2013 (9:00-11:00), Appian Room (2nd floor)

Draft agenda:

- IPv4 exhaustion and transfers updates
- Membership growth trends
- ITU related strategy
- Cooperation MoU - project updates
- AOB