

Directors and Officers Australia

Target Market Statement

Product Type

This is an insurance product for Australian and New Zealand customers requiring cover for Directors and Officers (D&O) which provides financial protection to company directors and officers if they are sued for alleged wrongful acts in their professional capacity. It covers legal costs, settlements, and judgments related to mismanagement, negligence, and other wrongful acts. D&O insurance safeguards personal assets of the directors.

Characteristics of the target market (who is the product designed for?)

This product is designed to cater for all listed and private companies in Australia and New Zealand in the mining sector including junior exploration companies, transitional and producing mining companies, plus businesses servicing the mining sector, such as contractors and engineers.

The product is also suitable for firms within the agriculture, manufacturing and technology industries in specific sectors related to mining.

This product is targeted at:

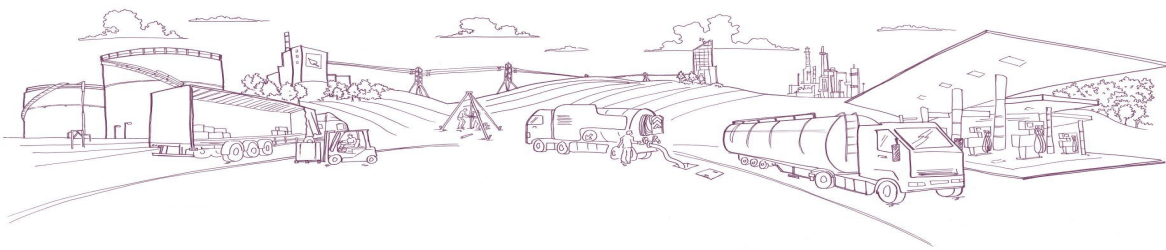
- **Mining Producers** – Producers with annual revenues between AUD\$20 million and AUD\$20 billion.
- **Research and Development Firms** – Companies ranging from small start-up operations involved in new mining technology, to IT and recruitment consultants or other consultancies aligned with the mining lifecycle with annual revenue between AUD\$0 and AUD\$50 million.
- **Mining Contractors** - Firms with annual revenues up to AUD\$500 million.
- **Junior Explorers** - Exploration companies raising capital via the Australian Stock Exchange or other means). These companies tend to have zero annual revenue, and capital is raised to undertake explorative activities.
- **Transitional Miners** -Exploration companies which have substantiated a mineral asset and are raising capital to build a mine and/or infrastructure and are non-revenue producing).

Objectives, needs and interests of the target market (considering the key features and benefits of the product)

The product is designed to provide D&O cover for Australian and New Zealand registered mining and resource customers in respect of liabilities on behalf of a director or officer.

Customers will benefit from the following policy features:

- **Compensatory Damages and Costs** awarded against the director or officer by a court or tribunal.



- **Exemplary or Punitive Damages** awarded against the director or officer for libel or slander by a court or tribunal.
- **Multiple, Exemplary, Aggravated or Punitive Damages** awarded by a court or tribunal, if indemnity for this is lawful in the territory in which they were awarded, provided they are in addition to compensatory damages.
- **Defence Costs** incurred with prior agreement.
- **Civil Fines and Penalties** where insurable by law, up to the limit of indemnity.

Optional Extensions

- Indemnity is also available where a director or officer is working for an outside company.
- Indemnity is available where a company has lawfully indemnified a director or officer for a claim otherwise insured by this D&O policy.
- Extensions to cover available on request and subject to applicable requirements and sub-limits include an additional limit for non-executive directors, extended reporting periods, emergency costs, prosecution costs, public relations and crisis management services, shareholder costs cover and tax extensions.

Who is this product not designed for?

This product is not suitable for:

- Any firm domiciled outside of Australia or New Zealand.
- Any firm in the financial institution sector.
- Any firm involved in thermal coal mining.

How do we expect this product to be distributed?

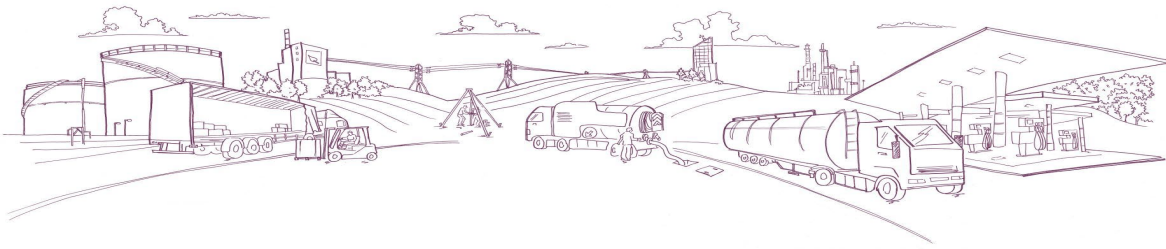
This product should be sold with the active assistance and guidance of an insurance intermediary with whom Pen Australia has an agency, to select the appropriate level of cover. Pen recommends this product is not sold directly to customers without this assistance.

This product is suitable to be distributed via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal application. Consideration should be given to the vulnerability of customers by the intermediary and provide any appropriate support they may need.

What are the distributor value considerations?

We expect all distributors in the chain to consider the following when selling Pen's products:

- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of APR.
- Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product.



- Distributors must ensure there is no duplication of cover as a result of any add-on products sold where appropriate cover is already provided by the policy.
- Distributors should consider the demands and needs of the customer and the local Consumer Duty requirements where applicable, when dealing with customers.

Scope

This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by the product.

Product Approval Process

Pen has a product approval process in place to ensure that there is appropriate oversight of all products where Pen is either a co-manufacturer or a distributor. The process includes a risk assessment process where due consideration is given to the impact of the product on the target market and the value of the product.

A diagram of Pen's product approval process can be found on the Pen website [here](#).

Important Information

This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included, this should be raised to Pen urgently for discussion.

Valid From

03/11/2024

Next Review Date

On or before 03/11/2025