

TOTTEN GROUP

I N S U R A N C E

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DIRECTORS AND OFFICERS INSURANCE APPLICATION

Underwriters will rely upon each and every response given in this Proposal Form and any Supplementary Proposal Form in deciding whether or not to insure this risk and if so at what premium, terms and conditions. Underwriters regard every response to be material to their decisions. Failing to answer or answering any question below incorrectly could invalidate any policy of insurance written by Underwriters for this risk.

We have a professional duty of confidentiality and are committed to holding personal information in strict confidence. The information provided to us will only be disclosed where required by law to do so or required to do so in conducting negotiations with third parties, such as insurance companies, on your behalf.

We will further safeguard the security of such information in a manner appropriate to sensitivity of that information.

PLEASE READ CAREFULLY. THIS IS AN APPLICATION FORM FOR A CLAIMS MADE POLICY.

Please complete all questions. If there is no answer, write "none" or "N/A" in the space provided.

The term "**Company**" includes all **Subsidiaries** more than 50% owned for which coverage is proposed under this application.

GENERAL INFORMATION

1. Name of Company _____
2. Mailing Address _____
3. Website Address _____
4. Place of Incorporation _____ The **Company** has continuously carried on business since _____
5. Type of Company Public Private Other _____
6. Nature of the Operations _____
7. Does the **Company** or any **Insured** provide any professional services for a fee? *If Yes, please attach full details.* Yes No
8. Please list all **Subsidiaries** to be covered under the **Policy** (If additional space is required, please attach separate list)

| Name of Subsidiary | % Ownership | Nature of Operations: |
|---------------------------|-------------|-----------------------|
| | | |
| | | |
| | | |

STOCK OWNERSHIP

1. Stock owner symbol _____ and listed on which Stock Exchange(s) _____
2. Total number of common shares outstanding _____
3. Total number of common shareholders _____
4. Total number of common shares owned directly or beneficially by the directors and officers _____
5. If the **Company's** securities are dually listed or traded on any US Stock Exchange, what percentage of the total outstanding shares are traded on any US Stock Exchange? _____ %
6. Does any shareholder own directly or beneficially more than 10% of the outstanding shares? Yes No
If so, please provide the following details:

| Name of Shareholder | % of Holdings | Name of Board Representative |
|---------------------|---------------|------------------------------|
| | | |
| | | |
| | | |

7. Are there any other securities convertible to common stock? *If Yes, please attach full details* Yes No



ANNOUNCEMENTS

- 1. Does the **Company** currently have under consideration or has it considered in the past 12 months any asset transactions exceeding 10% of the **Company's** consolidated assets, by merger, acquisition, consolidation or divestiture? *If Yes, please attach full details.* Yes No
- 2. Has the **Company** filed within the past 12 months or anticipate filing within the next 12 months any private or public offering of securities with any securities commission? *If Yes, please attach full details including a copy of the prospectus or registration statement.* Yes No
- 3. During the past 12 months has the **Company**:
 - a. experienced any changes in senior management or any directors? Yes No
 - b. experienced any change in controlling ownership of the **Company**? Yes No
 - c. changed or is currently considering changing its external general counsel or auditors? Yes No
 - d. been the subject of any inquiries or investigations by any regulatory agency? Yes No
 - e. made or is currently considering any non-recurring accounting restatements, adjustments, changes or disclosures? Yes No

If Yes to any of the above, please attach full details.
- 4. During the past 3 years, has any Insurer declined, canceled or non-renewed any policy or **Application** for directors and officers or employment practices liability insurance? *If Yes, please attach full details.* Yes No

EMPLOYMENT PRACTICES INFORMATION

1. Total number of employees

| | Canada | US | Other | Total |
|--------------|--------|----|-------|-------|
| Current Year | | | | |
| Last Year | | | | |

- 2. What is the total number of employees located in each of the following states:
 California _____ Texas _____ New Jersey _____ Michigan _____ Florida _____
- 3. How many leased employees or independent contractors does the **Company** employ annually? _____
- 4. What is the **Company's** total annual payroll? _____
- 5. What is the total number of employees with annual compensation greater than \$100,000? _____
- 6. How many employees, including officers, have voluntarily terminated their employment, or been involuntarily terminated in the last two years? _____
- 7. Have there been any layoffs or staff reductions in the past 12 months or any anticipated in the next 12 months? Yes No
If Yes, please attach full details.
- 8. Does the **Company** employ a full time Human Resources professional? Yes No
- 9. Does the **Company** have an Employee Handbook or Manual? Yes No
If yes, is it issued to every employee? Yes No
- 10. Does the **Company** have written policies and procedures on the following:
 - a. employee hiring? Yes No
 - b. employee termination? Yes No
 - c. annual written performance evaluations? Yes No
 - d. sexual harassment and reporting procedures? Yes No
 - e. employee complaints of harassment and/or discrimination? Yes No
 - f. accommodating the disabled? Yes No



PAST LITIGATION, PROCEEDINGS, ACTIONS OR SUITS

- 1. During the past three years, has any Claim, or notice of circumstances which could reasonably give rise to a claim, been reported to any previous Directors and Officers Liability, or Employment Practices Liability, Insurer? If Yes, please attach full details. [] Yes [] No
2. Has the Company or any of its directors or officers been involved in any of the following during the past 3 years: a. any anti-trust, price-fixing, or copyright, patent or trademark litigation? b. any proceeding alleging violation of any federal or state securities laws or regulations? c. any representative action, class action or derivative suit? d. any other material litigation or criminal, governmental or administrative proceeding? e. any insolvency or bankruptcy proceedings? If Yes to any of the above, please attach full details.
3. Has there been, or are there now pending, any Claims against the Company or any past or present directors, officers or employees of the Company? If Yes, please attach full details. a. involving any employment law? b. involving non-employment related discrimination or sexual harassment?

Please note that no coverage will be afforded under the proposed policy for any claim arising out of any fact or circumstance or actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty disclosed or required to be disclosed in response to questions in this application.

FINANCIAL INFORMATION

1. Please complete the following table, including information from the most recent audited financial statements.

Table with 5 columns: Total Assets, Total Liabilities, Total Revenues, Net Income. Rows: Current Year, Last Year.

- 2. Has the Company currently or during the past 3 years: a. been involved in any bankruptcy proceeding, reorganization or any other arrangement with creditors under federal, provincial or state law? b. been in arrears in its payments to the Canada Revenue Agency or provincial ministries of revenue (including source deductions, GST or PST) c. been in breach of any of its debt covenants or loan agreements? If Yes, please attach full details.

ADDITIONAL INFORMATION

- 1. Copies of the following materials regarding the Company are deemed attached to and made part of this application by reference: a. The latest Annual Report to stockholders and SEC Form 10-K if applicable; b. The latest interim financial statement and SEC Forms 10-Q and/or 8-K if applicable; c. The latest Notice to Stockholders and Proxy Statement for the Company's annual meeting; d. Any registration statement filed with the Securities and Exchange Commission within the last 24 months; and e. The provisions of the Charter or By-Laws covering indemnification of directors and officers.

NOTICES

1. The following officer of the Company is designated to receive any and all notices from the Insurer or authorized representative(s) concerning this insurance

Name _____ Title _____

Signing this application does not bind the undersigned or the Insurer to complete the insurance, however, if a policy is issued, this application will be the basis of the policy and a copy of this application is deemed to be attached to and made part of the policy. The Insurer is authorized to make any investigation and inquiry regarding this application as it deems necessary. The undersigned, on behalf of all prospective Insureds, declares that the statements in this application and the information submitted herewith are true, complete and accurate. If there are material changes to any statements in this application or the information submitted herewith prior to the inception of the policy, the undersigned will immediately notify the Insurer of such changes who shall then have the right to change or withdraw any outstanding terms or proposal.

This application must be currently dated and signed by either: (1) the Chief Executive Officer and (2) the Chairman of the Board, the President or the Chief Financial Officer of the Company.

Signed _____ Date _____ (MM/DD/YY)

Name _____ Title _____