



Application for Directors & Officers Insurance

Vailo Insurance Services Ltd

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Application for private company directors and officers insurance

APPLICATION FOR INSURANCE

PLEASE READ CAREFULLY: This is an application form for **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.

1. General Information

(a) Name of **Company**:

(b) Mailing Address:

(c) Website Address:

(d) Place of Incorporation:

(e) The **Company** has continuously carried on business since:

(f) Type of Company: Corporation Other:

(g) Nature of Operations:

(h) Does the **Company** or any **Insured** provide any professional services for a fee?

Yes No *If Yes, please attach full details:*

(i) 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 Operation:	Place of Incorporation:

2. Stock Ownership

(a) Total number of common shares outstanding:

(b) Total number of common shareholders:

(c) Total number of common shares owned directly or beneficially by the directors and officers:

(d) What percentage of the total outstanding shares are held by U.S. Residents? %

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2. Stock Ownership (cont'd)

(e) 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:

(f) Are there any other securities convertible to common stock?

Yes No *If Yes, please attach full details:*

(g) What % of Sales are from the U.S.?

(h) What % of Total Assets are held in the U.S.?

3. Announcements

(a) 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?

Yes No *If Yes, please attach full details:*

(b) 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?

Yes No *If Yes, please attach full details including a copy of the prospectus or registration statement*

(c) During the past 12 months has the **Company**:

- | | |
|---|--|
| i) experienced any changes in senior management or any directors? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| ii) experienced any change in controlling ownership of the Company? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| iii) changed or is currently considering changing its external general counsel or auditors? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| iv) been the subject of any inquiries or investigations by any regulatory agency? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| v) made or is currently considering any non-recurring accounting restatements, adjustments, changes or disclosures? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If Yes to any of the above, please attach full details.

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3. Announcements (cont'd)

(d) Has the **Company** currently or during the past 3 years:

- i) been involved in any bankruptcy proceeding, reorganization or any other arrangement with creditors under federal, provincial or state law? Yes No
- ii) been in arrears in its payments to the Canada Revenue Agency or provincial ministries of revenue (including source deductions, GST or PST) Yes No
- iii) been in breach of any of its debt covenants or loan agreements? Yes No

If Yes to any of the above, please attach full details.

(e) 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?

Yes No *If Yes, please attach full details.*

4. Employment Practices Information:

(a) Total number of employees:

	Current Year	Turnover %	Last Year	Turnover %
Canadian, Full time, Non Union				
Canadian, Full time, Union				
Canadian, Part time, Non Union				
Canadian, Part time, Union				
U.S., Full time, Non Union				
U.S. Full Time, Union				
U.S. Part Time, Non-Union				
U.S. Part Time, Union				
Other				
Total				

(b) Please provide number of employees by Compensation range:

Total Annual Compensation	Over \$250,000	\$250,000 - \$100,000	\$99,000 - \$50,000	Less than \$50,000
Canada				
U.S.				

(c) If U.S. employees are present, please provide the total number of employees residing in each of the following states:

California: Texas: New Jersey: Michigan: Florida: Alabama:

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4. Employment Practices Information: (cont'd)

(d) How many leased employees or independent contractors does the **Company** employ annually?

(e) What is the **Company's** total annual payroll? \$

(f) How many employees, including officers, have been involuntarily terminated in the last two years?

(g) 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:*

(h) Does the **Company** employ a full time Human Resources professional? Yes No

(i) Does the **Company** have an Employee Handbook or Manual? Yes No

If yes, is it issued to every employee? Yes No

(j) Does the **Company** have written policies and procedures on the following:

- i) employee hiring? Yes No
- ii) employee termination? Yes No
- iii) annual written performance evaluations? Yes No
- iv) sexual harassment and reporting procedures? Yes No
- v) employee complaints of harassment and/or discrimination? Yes No
- vi) accommodating the disabled? Yes No

5. Fiduciary Information:

(a) Type of Plan: Defined Benefit Defined Contributions Welfare / Trust Fund
 ESOP RRSP Other

(b) Year plan established:

(c) Total plan assets: Current Year: Previous Year:

(d) Plan administrator:

(e) Is the plan adequately funded as attested to by any actuary (applies to Defined Benefit plans only)?

Yes No *If yes, please provide actuarial report. If no, please provide details:*

(f) Does the SPONSOR ORGANIZATION or any SUBSIDIARY plan on terminating, suspending, merging or dissolving any plan within the next 12 months?

Yes No *If Yes, please provide details:*

6. Past Litigation, Proceedings, Actions or Suits

(a) 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?

Yes No *If Yes, please attach full details.*

(b) Has the **Company** or any of its directors or officers been involved in any of the following during the past 3 years:

- i) any anti-trust, price-fixing, or copyright, patent or trademark litigation? Yes No
- ii) any proceeding alleging violation of any federal or state securities laws or regulations? Yes No
- iii) any representative action, class action or derivative suit? Yes No
- iv) any other material litigation or criminal, governmental or administrative proceeding? Yes No
- v) any insolvency or bankruptcy proceedings? Yes No

If Yes to any of the above, please attach full details.

(c) 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**:

- i) any anti-trust, price-fixing, or copyright, patent or trademark litigation? Yes No
- ii) any proceeding alleging violation of any federal or state securities laws or regulations? Yes No

If Yes to any of the above, please attach full details.

(d) Is any Insured aware of any fact, circumstance or situation involving the Company, the directors or officers of the **Company** which may give rise to a **Claim** under the policy to which this application will be attached?

Yes No *If Yes, please attach full details.*

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.

7. Additional Information:

(b) Please provide copies of the following materials regarding the **Company**. These items are deemed attached to and made part of this **Application** by reference:

- i) The latest Annual Report to stockholders if applicable;
 - ii) The latest audited Annual financial statements if applicable;
 - iii) the latest interim financial statements if applicable;
 - iv) Any registration statement filed with the exempt market or provincial securities dealers or similar regulator within the last 24 months; and,
 - v) The provisions of the Charter or By-Laws covering indemnification of directors and officers.
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8. Notices:

(b) 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: _____

APPLICANT'S CONSENT TO THE TRANSMISSION OF THE INFORMATION CONTAINED IN THE APPLICATION FORM

I hereby acknowledge that the information collected in the Application form is acquired by my insurance broker to be transmitted to Vailo Insurance Services Inc. for the sole purpose of obtaining an insurance policy, and will be kept confidential.

Moreover, I authorize Vailo Insurance Services Ltd., its insurers or service providers to:

- Conduct verification, using outside sources, of the information contained in the Application form, in attached documentation and in subsequently provided documentation.
- In the event of a claim, transmit the submitted and verified information to loss adjusters, lawyers or other similar offices for the purpose of investigating, defending, negotiating or settling any claims as required.

DECLARATION AND SIGNATURE

The undersigned Applicant for this insurance declares that, to the best of their knowledge and belief, the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this Application form. The undersigned further agrees that if any significant change in the condition of the Applicant is discovered between the date of this Application form and the effective date of the policy, which would render this Application form inaccurate or incomplete, notice of such change will be reported immediately in writing to the Insurance Manager.

Although the signing of this Application form does not bind the Applicant to purchase the insurance, the undersigned Applicant agrees that this form and the information furnished pursuant hereto shall be the basis of the contract should a policy be issued and this form will become part of the policy.

Name of Applicant (please print)

Title of Applicant (please print)

Signature of Applicant

Date (dd/mm/yyyy)