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DIRECTORS' AND OFFICERS' LIABILITY INSURANCE
(including Corporate Liability, Employment Practices Liability and Fiduciary Liability)
APPLICATION – PROFIT CORPORATIONS

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY. ALL QUESTIONS MUST BE ANSWERED. **Corporate Information**

1. (a) Name of Parent Corporation _____
- (b) Address _____
- (c) Type of Corporation: Public Company Private Company Other: _____
- (d) Date of Incorporation: _____ Jurisdiction _____ Fiscal Year End _____
- (e) Nature of Business: _____
- (f) Web Site Address: _____

Stock Ownership

2. (a) Total number of voting securities outstanding: _____
- (b) Total number of voting security shareholders: _____
- (c) Total number of voting securities owned directly or beneficially by directors or officers: _____
- (d) Name and % of holdings of shareholders who own 5% or more of the voting securities, either directly or beneficially

- (e) Are there any other securities convertible to voting stock? Yes No
If Yes, describe fully: _____
- (f) Is the Corporation or any of its Subsidiaries publicly traded? Yes No
If Yes, identify the Stock Exchanges on which the shares trade: _____

Operational Details

3. (a) Please provide the following Corporate information (at the time of completing this Application):

		Shares	Assets	Sales	# of Employees
in Canada		%	%	%	
in the U.S.A.		%	%	%	
Other (Specify)		%	%	%	
		%	%	%	
		100%	100%	100%	

(b) Total number of Subsidiaries that are more than 50% owned or controlled by the Corporation, either directly or indirectly through one or more of its Subsidiaries at the time of completing this Application:

Canada _____ % United States _____ % Other Country _____ %

(c) Please attach as **Schedule "A"** a list of all Subsidiaries for which coverage is requested, including date and jurisdiction of incorporation, date of acquisition or creation, percentage of ownership and nature of operations.

(d) Please attach as **Schedule "B"** a list of all directors and officers of the Corporation and all Subsidiaries.

Corporate Changes

4. (a) Is the Corporation currently considering or has it considered in the past twelve months:

(i) any acquisition, tender offer, merger, consolidation or divestiture? Yes No

(ii) a private or public offering of its securities? Yes No

(b) Has there been any change in directors or senior management in the past twelve months (such as Board Chairman, President, Executive Vice President)? Yes No

(c) Has there been any change in the controlling ownership of the Corporation in the past twelve months? Yes No

(d) Has the Corporation at any time during the past three years changed its accountants or external legal advisors? Yes No

If yes to any of the above, attach details including prospectus if applicable.

Financial

5. (a) Is the Corporation currently, or has it at any time during the past three years been, in arrears in its payments to the Canada Revenue Agency or the provincial ministries of revenue (including source deductions, G.S.T and P.S.T)? Yes No

(b) Is the Corporation currently protected, or has it at any time during the past three years sought protection, under the Companies Creditors Arrangement Act (or similar Canadian or U.S. legislation) or does it anticipate seeking such protection within the next twelve months? Yes No

(c) Is the Corporation currently, or has it at any time during the past three years been, in breach of any of its debt covenants or loan agreements, or does it anticipate any such breach occurring within the next twelve months? Yes No

(d) Are there any loans outstanding or anticipated to directors and officers or companies controlled by directors and officers? Yes No

If yes to any of the above, attach details.

Employee Information

6. (a) Total number of employees (including full-time, part-time and temporary employees): _____

(b) Total number of employees with total annual compensation greater than \$100,000: _____

(c) Percentage of your employees are subject to a collective bargaining agreement: _____

(d) Total number of employees, including officers, who have been terminated in the past two years: _____

(e) Historical annual employee turnover rate: _____ %

(f) Has the turnover rate exceeded historical levels during the past two years? Yes No

If Yes, describe fully: _____

(g) Are any layoffs or staff reductions anticipated within the next two years? Yes No

If Yes, describe fully: _____

Human Resource Information

7. Does the Corporation have a full time human resources manager or department? Yes No

If Yes: (i) please indicate the number of employees in this department: _____

(ii) have any of these employees received certification in H.R. management?

Yes No

If No, describe how this function is handled: _____

8. Does the Corporation have the following in current use and practice:

- (a) an employment application for job applicants? Yes No
- (b) written interviewing and hiring guidelines? Yes No
- (c) an employee handbook that is distributed to all employees? Yes No
- (d) written job description for all positions? Yes No
- (e) a personnel file for each employee? Yes No
- (f) annual written performance evaluations for all employees? Yes No
- (g) a written policy against discrimination or sexual harassment? Yes No
- (h) a written policy for the handling of employee complaints of discrimination or sexual harassment? Yes No
- (i) a written policy dealing with the use of corporate electronic mail, voice mail and internet access? Yes No

9. When an employee is terminated:

- (a) is officer approval required? Yes No
- (b) are human resources personnel directly involved? Yes No

10. Does the Corporation use outside legal counsel for employment advice?

Yes No

If Yes, is outside legal counsel consulted prior to terminating an employee?

Yes No

Past Activities Relating to Employment Practices Coverage

11. During the past three years, has the Corporation or any person proposed for coverage been involved in any employment or labour related litigation or proceedings?

Yes No

If Yes, provide details: _____

Fiduciary Information

12. Provide details for each Plan for which coverage is being sought:

Name of Plan	Plan Type*	Year Established	Plan Assets Current Year	Plan Assets Prior Year	Annual Contributions	Number of Participants
1.						
2.						
3.						
4.						

* DC - Defined Contribution, DB – Defined Benefit

13. Provide the following administration details for each Plan identified above:

Plan No. From Question 2	Plan Administrator	Investment Manager	Legal Counsel	Actuary	Chartered Accountant
1.					
2.					
3.					
4.					

14. (a) Are all Defined Benefit Plans fully funded in accordance with applicable statutes and regulations as attested to by an actuary? Yes No
 If No, provide details: _____
-
- (b) Do all Plans conform to the regulatory requirements for eligibility, participation, vesting, funding and all other provisions of the Ontario Pension Benefits Standards Act, 1985 or any similar provincial or territorial statute, and all rules and regulations adopted thereunder? Yes No
 If No, provide details: _____
-
- (c) Have the Plans been reviewed to ensure that there are no violations of any plan agreement, prohibited transactions or party-in interest rules? Yes No
 If any were found, provide details: _____
-
- (d) Are all Plan assets managed by the Investment Manager identified in Question 3 above? Yes No
 If No, provide details: _____
-
- (e) In the past three years has there been any:
 (i) Plan mergers or termination? Yes No
 (ii) amendment to any Plan that has resulted in, or is expected to result in, any change of benefits, including but not limited to an increase in participants cost? Yes No
 If Yes to (i) or (ii) above, provide details: _____
-

Past Activities Related to Fiduciary Coverage

15. During the past three years, has the Corporation, Plan or any person proposed for coverage been involved in a claim which would fall within the scope of the proposed insurance? Yes No
 If Yes, attach details

Prior Insurance

16. Provide details of Directors' and Officers' liability insurance policies held during the past three years:

Name of Insurer	Limit of Policy	Deductible/Retention	Expiry Date	Premium	Claims (Y/N)

Past Activities

17. During the past three years, have any directors and officers or the Corporation:
- (a) been the recipient(s) of any declination, cancellation or non-renewal of any Directors' and Officers' liability insurance similar to that now applied for? Yes No
- (b) given or delivered written notice under the provisions of any Directors' and Officers' liability insurance policy of any claim, or notice of potential claim? Yes No

If yes to any of the above, attach details.

18. During the past three years, have any directors, officers or the Corporation been involved in the following:
- (a) any claim, which has been made or is now pending, which would fall within the scope of an insurance policy similar to that now proposed if such insurance had been in force? Yes No

- | | | |
|---|------------------------------|-----------------------------|
| (b) any claim where loss payments have been made under any insurance policy similar to that now proposed? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (c) any anti-trust, combines, price fixing, restraint of trade, tax, copyright or patent infringement proceeding? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (d) any civil, criminal, administrative or regulatory investigation or proceeding? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (e) any pollution suits or claims? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (f) any receivership or insolvency or bankruptcy proceeding? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (g) any stockholder's suit, shareholder derivative suit, representative or class action? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If yes to any of the above, attach details.

THE APPLICANT DOES HEREBY PROVIDE THE FOLLOWING WARRANTY TO THE INSURER

- | | | |
|---|------------------------------|-----------------------------|
| 19. Does the Corporation or any director, officer or any other person proposed for this insurance have knowledge or information of any fact, circumstance or situation which could reasonably give rise to a claim which would fall within the scope of the proposed insurance? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
|---|------------------------------|-----------------------------|

If Yes, provide details:

It is understood and agreed that if knowledge of any such facts, circumstances or situations exists, whether or not disclosed, any claim or action subsequently arising or developing therefrom shall be excluded from coverage under any policy issued by South Western Group Limited.

Additional Information Required

20. As a part of this Application, please submit one copy of each of the following Corporate documents:
- (i) Latest annual report or audited financial statements;
 - (ii) Latest interim financial statements;
 - (iii) Copy of any public documents filed by the Corporation with the Ontario Securities Commission, or any similar federal or provincial regulatory agency;
 - (iv) Schedule A – a list of all Subsidiaries for which coverage is requested; and
 - (v) Schedule B – a list of all directors and officers of the Corporation and all Subsidiaries.

PRIVACY DISCLOSURE AND CONSENT

The undersigned authorized officer of the Parent Corporation acknowledges that any personal information provided in connection with the insurance applied for, including but not limited to the information contained in this Application, has been collected in accordance with all applicable privacy legislation. The undersigned confirms that all necessary consents have been obtained for the collection, use, and disclosure of such information for the purposes of any investigation and inquiry in connection with this Application for insurance and, if applicable, investigating and settling claims, detecting and preventing fraud, and acting as required or authorized by law.

FALSE INFORMATION

Any person who, knowingly and with intent to defraud any insurance company or other person, files an Application for insurance containing any false information, or conceals information concerning any fact material thereto for the purpose of misleading any insurance company or other person, commits a fraudulent insurance act which is a crime.

DECLARATIONS AND SIGNATURE

The undersigned authorized officer of the Parent Corporation:

- (i) declares, after inquiry, that the statements and representations set forth in this Application, and all materials submitted to or requested by the Insurer in conjunction with this Application, are true;
- (ii) acknowledges that these statements, representations, and materials are relied on by the Insurer and that they shall be deemed material to the acceptance of the risk assumed by the Insurer under the insurance applied for, should the insurance be effected; and
- (iii) agrees that if the information supplied in connection with this Application changes between the date of this Application and the effective date of any insurance effected pursuant to this Application, the undersigned will immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding indications, quotations and/or authorization or agreement to effect the insurance.

Signing of this Application does not obligate the Parent Corporation or the Insurer to effect the insurance, but it is agreed that all materials submitted to or requested by the Insurer in conjunction with this Application are hereby incorporated by reference into this Application and made a part hereof. Terms and conditions, including limits of coverage, offered by the Insurer may differ from those applied for by the Parent Corporation. It is further agreed that this Application and all materials submitted to or requested by the Insurer in conjunction with this Application are the basis of and are deemed attached to and incorporated into any policy effected pursuant to this Application.

PLEASE NOTE: COVERAGE CANNOT BE BOUND UNLESS THIS APPLICATION HAS BEEN FULLY COMPLETED AND DULY SIGNED AND DATED.

Parent Corporation	Date
Signature of duly authorized signing Office	Title

Please Note:

The undersigned, on behalf of the insured organization, acknowledges that any personal information provided in connection with this application (including but not limited to the information contained in this form) has been collected in accordance with applicable privacy legislation and this information shall only be used or shared by the insurer to assess, underwrite and price insurance products and related services, administer and service insurance policies, evaluate and investigate claims, detect and prevent fraud, analyze and audit business results and/or comply with regulatory or legal requirements. For purposes of the Insurance Companies Act (Canada), this document was issued in the course of South Western Insurance Group Ltd.'s insurance business in Canada.