

## APPLICATION FOR PRIVATE COMPANY DIRECTORS AND OFFICERS INSURANCE

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.

### A. General Information

- Name of **Company**: \_\_\_\_\_
- Address: \_\_\_\_\_
- Web-Site Address: \_\_\_\_\_
- Place of Incorporation: \_\_\_\_\_
- The **Company** has continuously carried on business since: \_\_\_\_\_
- Type of Company:     Corporation     Other: \_\_\_\_\_
- Nature of Operations: \_\_\_\_\_
- Does the **Company** or any **Insured** provide any professional services for a fee? .....  Yes     No  
*If Yes, please attach full details.*
- Please list all **Subsidiaries** to be covered under the **Policy** (If additional space is required, please attach separate list):

Name of <b>Subsidiary</b>	Ownership %	Nature of Operations:	Place of Incorporation:

### B. Stock Ownership

- Total number of common shares outstanding: \_\_\_\_\_
- Total number of common shareholders: \_\_\_\_\_
- Total number of common shares owned directly or beneficially by the directors and officers: \_\_\_\_\_
- What percentage of the total outstanding shares are held by U.S. Residents? \_\_\_\_\_%
- 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:

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

8. What % of Sales are from the U.S.? ..... \_\_\_\_\_
9. What % of Total Assets are held in the U.S.? ..... \_\_\_\_\_

**C. 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? .....  Yes  No  
*If Yes, please attach full details.*
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? .....  Yes  No  
*If Yes, please attach full details including a copy of the prospectus or registration statement*
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. 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? .....  Yes  No
  - b) been in arrears in its payments to the Canada Revenue Agency or provincial ministries of revenue (including source deductions, GST or PST) .....  Yes  No
  - c) been in breach of any of its debt covenants or loan agreements? .....  Yes  No
- If Yes, please attach full details.*
5. 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.*

**D. Employment Practices Information:**

1. 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				

<b>Total</b>				
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Please provide number of employees by Compensation range:

Total Annual Compensation	Over \$250,000	\$100,000 - \$250,000	\$75,000 - \$100,000	\$50,000 - \$25,000	Less than \$25,000
<b>Canada</b>					
<b>U.S.</b>					

2. What is the total number of employees located in each of the following states:

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

3. How many leased employees or independent contractors does the **Company** employ annually? ..... \_\_\_\_\_

4. What is the **Company's** total annual payroll? ..... \$ \_\_\_\_\_

5. How many employees, including officers, have been involuntarily terminated in the last two years?..... \_\_\_\_\_

6. 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.

7. Does the **Company** employ a full time Human Resources professional? .....  Yes  No

8. Does the **Company** have an Employee Handbook or Manual? .....  Yes  No  
If yes, is it issued to every employee? .....  Yes  No

9. 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

### E. 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? .....  Yes  No  
If Yes, please attach full details.

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? .....  Yes  No
- (b) any proceeding alleging violation of any federal or state securities laws or regulations? .....  Yes  No
- (c) any representative action, class action or derivative suit? .....  Yes  No
- (d) any other material litigation or criminal, governmental or administrative proceeding?.....  Yes  No
- (e) any insolvency or bankruptcy proceedings? .....  Yes  No

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**:

- (a) involving any employment law? .....  Yes  No
- (b) involving non-employment related discrimination or sexual harassment? .....  Yes  No

If Yes, please attach full details.

4. 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.

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## F. Additional Information

- 1 Please provide copies of the following materials regarding the **Company**. These items are deemed attached to and made part of this **Application** by reference:
- (a) The latest Annual Report to stockholders if applicable;
  - (b) The latest audited Annual financial statements if applicable;
  - (c) The latest interim financial statements if applicable;
  - (d) Any registration statement filed with the exempt market or provincial securities dealers or similar regulator within the last 24 months; and
  - (e) The provisions of the Charter or By-Laws covering indemnification of directors and officers.

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## G. 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: \_\_\_\_\_

E-mail Completed Application to [PROAPP@NEXTWAVEINS.CA](mailto:PROAPP@NEXTWAVEINS.CA)