



Affiliated Brokers Exchange Ltd.  
785 Bridge Street, Waterloo, ON, N2V 2K1  
www.abexinsurance.com

## DIRECTORS' AND OFFICERS' LIABILITY POLICY 'FOR PROFIT' APPLICATION

PLEASE READ THIS APPLICATION CAREFULLY BEFORE AND DURING COMPLETION. SHOULD YOU HAVE ANY QUESTIONS OR CONCERNS, PLEASE CONSULT YOUR INSURANCE BROKER. WHEN COMPLETED AND ACCEPTED, THIS APPLICATION WILL FORM PART OF YOUR INSURANCE CONTRACT.

IF YOU DO NOT HAVE ENOUGH SPACE TO ANSWER THE QUESTIONS ON THIS APPLICATION, YOU MAY SUPPLEMENT THE APPLICATION WITH ADDITIONAL PAGES OF INFORMATION. PLEASE TYPE OR WRITE LEGIBLY ON SUCH PAGES AND NUMBER THE ADDITIONAL INFORMATION SO THAT IT CORRESPONDS WITH YOUR APPLICATION.

NOTICE: THE DIRECTORS' AND OFFICERS' LIABILITY COVERAGE IS WRITTEN ON A CLAIMS-MADE BASIS. EXCEPT AS OTHERWISE PROVIDED, THIS COVERAGE COVERS ONLY "CLAIMS" FIRST MADE AGAINST "INSUREDS" DURING THE "POLICY PERIOD".

THE LIMIT OF LIABILITY AVAILABE TO PAY JUDGEMENTS OR SETTLEMENTS WILL BE REDUCED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION.

Parent Company

### 1. REQUESTED COVERAGE

Limit of Liability \$ \_\_\_\_\_ Retention Amount \$ \_\_\_\_\_

### 2. OWNERSHIP INFORMATION

A. Number of Shareholders. \_\_\_\_\_

B. Percentage of voting shares owned by Directors and Officers. \_\_\_\_\_

C. Are there any other securities, warranties, options, or debt instruments convertible to voting stock? Yes No

If yes, please provide details. \_\_\_\_\_

D. Name and percentage of holding of each and every shareholder who owns 10% or more of the voting or convertible shares.

E. Is the Parent Company or any of its subsidiaries publicly traded?

If yes, list exchange(s) and stock symbol(s) \_\_\_\_\_ Yes No

F. Percentage of shares by class held in the United States. \_\_\_\_\_

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### **3. MERGERS AND ACQUISITIONS**

- |   |     |    |
|---|-----|----|
| <p><b>A.</b> Has the Parent Company publicly disclosed any plans for a merger, acquisition, divestiture, consolidation or tender offer?<br/>If yes, please provide details. _____<br/>_____</p> | Yes | No |
| <p><b>B.</b> Does the Parent Company anticipate a new public offering of any securities in the next 12 months?<br/>If yes, please provide details. _____<br/>_____</p>                          | Yes | No |
| <p><b>C.</b> Has the Parent Company filed a prospectus with any securities commission in the last 12 months?<br/>If yes, please provide details. _____<br/>_____</p>                            | Yes | No |

### **4. ENVIRONMENTAL INFORMATION**

- |   |     |    |
|---|-----|----|
| <p><b>A.</b> Does the Parent Company maintain a written environmental policy that requires audits?</p>  | Yes | No |
| <p><b>B.</b> Does the Parent Company maintain a procedure to bring environmental issues before the Board of Directors or regular discussion, evaluation and action?</p>               | Yes | No |
| <p><b>C.</b> Has an employee(s) been assigned responsibility for compliance with environmental controls?<br/>If yes, whom? _____</p>  | Yes | No |
| <p><b>D.</b> Are the Parent Company and any Subsidiaries currently in compliance with all applicable environmental laws and regulations?<br/>If no, please provide details. _____</p> | Yes | No |

### **5. PREVIOUS ACTIVITIES**

- |   |     |    |
|---|-----|----|
| <p><b>A.</b> Has the Parent Company, any Subsidiaries or any proposed Insured Person been involved in:</p>  |     |    |
| <p>1) Any antitrust, competition, trademark, copyright or patent litigation?</p>  | Yes | No |
| <p>2) Any civil or criminal action or administrative proceeding alleging a violation of any provincial, federal, state or local antitrust, competition, or fair trade laws?</p> | Yes | No |
| <p>3) Any civil or criminal action or administrative proceeding alleging a violation of any provincial, federal, state or local securities law or regulation?</p>               | Yes | No |
| <p>4) Any representative action, class action, oppression application or derivative suit?</p>   | Yes | No |



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5) Any other criminal or quasi-criminal proceeding?

If the answer to any of the above is yes, please provide details. \_\_\_\_\_

**B.** Has the Company been involved in any of the following in the past 5 years?

- |   |     |    |
|---|-----|----|
| 1) The seeking of protection under the Canadian Companies Creditors Arrangement Act or Bankruptcy and Insolvency Act, Chapter 7 or 11 of the United States Bankruptcy Code, or any other related federal, provincial, state or local law or regulation? | Yes | No |
| 2) A material breach of any debt covenant, loan agreement or contractual obligation?  | Yes | No |

#### **6. LOSS HISTORY**

Have any claims that would fall under the scope of this coverage been made against any of the proposed insureds in the last 3 years, whether an insurance policy covered such claim(s) or not? Yes    No

If yes, please provide details in the following table:

Date of Claim	Type of Claim	Description of Claim	Status of Claim	Defence Costs	Indemnity Amount
				\$	\$
				\$	\$
				\$	\$
				\$	\$

#### **7. WARRANTY REGARDING POTENTIAL CLAIMS**

No person proposed for coverage is aware of any facts or circumstances which he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage, except as follows:

\_\_\_\_\_

If they have no such knowledge or information, check here:

#### **8. ADDITIONAL INFORMATION**

Please attach to the application

- the indemnification provision of the articles of incorporation and bylaws;
- latest audited financial statement(s) (last 2 years);
- latest interim financial statement;
- list of board of directors and their employers and affiliations;
- a brochure and full description of operations.
- a list and affiliation of outside Directors, if any



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### 9. DECLARATIONS AND SIGNATURE

The undersigned declares that he/she is duly authorized by the proposed Insureds to complete and sign this application on their behalf and that the statements set forth herein are true and complete.

The undersigned agrees that:

- (i) the signing of this application does not bind the undersigned, the proposed Insureds or the Underwriters at Lloyd's to effect insurance;
- (ii) this application and all additional information provided herewith shall be the basis of the contract, should a policy be issued, and shall be deemed to be attached to and shall form part of the Policy;
- (iii) if there is any change to the information supplied on this application between the date of this application and the effective date of the policy, notification will be sent in writing to the Underwriters at Lloyd's and any outstanding quotation may be modified or withdrawn; and
- (iv) The Underwriters at Lloyd's and, on their behalf, their agents, are hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

**ANY PERSON, WHO KNOWINGLY OR WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING THE INSURER, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUD, WHICH IS A CRIME.**

Date: \_\_\_\_\_ \* Signed: \_\_\_\_\_

Corporation: \_\_\_\_\_ Name & Title (please print): \_\_\_\_\_

**\* Please Note: The application must be signed by the Chairperson of the Board or President.**

**A POLICY CANNOT BE ISSUED UNLESS THIS APPLICATION IS PROPERLY SIGNED AND DATED**