



## DIRECTORS, OFFICERS AND COMPANY LIABILITY INSURANCE POLICY APPLICATION

**NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS MADE IS A CLAIMS MADE AND REPORTED POLICY SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 60 DAYS AFTER THE EXPIRATION OF THE POLICY PERIOD OR THE LAST DAY OF THE OPTIONAL EXTENSION PERIOD, IF PURCHASED. AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. PLEASE READ THIS POLICY CAREFULLY.**

**NOTICE TO NEW YORK APPLICANTS: THE POLICY FOR WHICH THIS APPLICATION IS MADE, IS A CLAIMS MADE POLICY. UPON TERMINATION OF COVERAGE FOR ANY REASON, A 60-DAY AUTOMATIC EXTENSION PERIOD WILL APPLY. FOR AN ADDITIONAL PREMIUM, AN OPTIONAL EXTENSION PERIOD CAN BE PURCHASED AS INDICATED IN ITEM 5. OF THE DECLARATIONS. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD, THE AUTOMATIC EXTENSION PERIOD OR, IF APPLICABLE, THE OPTIONAL EXTENSION PERIOD. NO COVERAGE EXISTS FOR CLAIMS MADE AFTER THE END OF THE POLICY PERIOD AND THE AUTOMATIC EXTENSION PERIOD UNLESS, AND TO THE EXTENT, THE OPTIONAL EXTENSION PERIOD APPLIES. NO COVERAGE WILL EXIST AFTER THE EXPIRATION OF THE AUTOMATIC EXTENSION PERIOD OR, IF PURCHASED, THE OPTIONAL EXTENSION PERIOD, WHICH MAY RESULT IN A POTENTIAL COVERAGE GAP IF PRIOR ACTS COVERAGE IS NOT SUBSEQUENTLY PROVIDED BY ANOTHER INSURER. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY COSTS, CHARGES AND EXPENSES AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTION. DURING THE FIRST SEVERAL YEARS OF A CLAIMS-MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES, AND THE INSURED CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY. THE INSURER IS NOT OBLIGATED TO PAY ANY LOSS AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED BY PAYMENT OF LOSS. PLEASE READ THIS POLICY CAREFULLY.**

Please fully answer all questions and submit all requested information. Terms appearing in bold face in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. If you do not have a copy of the Policy, please request it from your agent or broker. This Application, including all materials submitted herewith, shall be held in confidence.

1. Applicant Name \_\_\_\_\_

Address \_\_\_\_\_

State of Incorporation: \_\_\_\_\_

2. The Applicant has continuously been in business since: \_\_\_\_\_ / \_\_\_\_\_  
(Month) (Year)

3. Nature of business \_\_\_\_\_

4. Are any classes of shares publicly traded?  Yes  No

5. Stock Symbol and Exchange \_\_\_\_\_

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

7. **COVERAGE REQUESTED**

Limit Requested \$ \_\_\_\_\_

Retention Requested \$ \_\_\_\_\_

8. **POLICY PERIOD REQUESTED**

From \_\_\_\_\_ to \_\_\_\_\_ both days at 12:01 a.m. at the principal address of the Applicant.

9. Has the Applicant at any time over the last three years been in breach of any debt covenants or loan agreements?  Yes  No

If Yes, give details: \_\_\_\_\_

\_\_\_\_\_

10. Has the Applicant at any time over the last three years changed its auditors, outside counsel or outside securities counsel?  Yes  No

If Yes, give details including reasons for changes: \_\_\_\_\_

\_\_\_\_\_

11. Has the Applicant in the past 12 months completed or agreed to, or does it contemplate within the next 12 months, any of the following, whether or not such transactions were or will be completed.

(a) A merger, acquisition, consolidation or tender offer?  Yes  No

(b) Sale, distribution or divestiture of any assets or stock other than in the ordinary course of business in an amount exceeding 25% of the Applicant's consolidated assets?  Yes  No

- (c) Any registration for a public offering or private placement of securities?  Yes  No

If Yes, please attach a copy of the Prospectus.

- (d) Reorganization or arrangement with creditors under federal or state law?  Yes  No

If Yes to any of the questions in 11(a), (b), (c) or (d) above, attach details.

12. Does the Applicant have:

- (a) an insider trading policy?  Yes  No

If Yes, attach a copy.

- (b) a corporate communications policy?  Yes  No

If Yes, attach a copy.

13. (a) Has the Applicant changed independent auditors in the past three years?  Yes  No

- (b) Has the Applicant had any changes in the board of directors or senior management within the past three years?  Yes  No

- (c) Has the Applicant or any director, officer or other proposed **Insured** been involved in any of the following:

Anti-trust, copyright or patent litigation?  Yes  No

Civil or criminal action or administrative proceeding charging violation of a federal, state or foreign security law or regulation?  Yes  No

Any other criminal actions?  Yes  No

Representative actions, class actions or derivative suits?  Yes  No

Investigation by the Securities and Exchange Commission, or similar state or foreign agency?  Yes  No

If Yes to any of the questions in 13 (a), (b) or (c) above, attach details.

14. (a) (i) Does the Applicant currently have directors and officers liability insurance?  Yes  No

If Yes, please provide the following:

<u>Insurer</u>	<u>Limits</u>	<u>Retention</u>	<u>Policy Period</u>
_____	\$ _____	\$ _____	_____

(ii) Have any of the Applicant's current directors and officers liability insurers indicated an intent not to offer renewal terms?  Yes  No  
If Yes, attach details.

NOTE: Applicants in Missouri are not required to answer question 14(a)(ii) above.

(b) Has the Applicant or any director, officer or other proposed **Insured** given written notice under the provisions of any prior or current directors and officers liability policy of specific facts or circumstances which might give rise to a **Claim** being made against any proposed **Insured**?  Yes  No  
If Yes, attach details.

For Minnesota applicants only, please indicate if any director, officer or other proposed **Insured** has given written or oral notice under the provisions of any prior or current directors and officers liability policy of specific facts or circumstances that might give rise to a Claim being made against any proposed **Insured**?  Yes  No  
If Yes, attach details.

(c) Have any **Loss** payments been made on behalf of any proposed Applicant under any directors and officers liability policy or similar insurance?  Yes  No  
If Yes, attach details.

15. (a) There is no claim now pending nor has there been any claim against any director, officer or other proposed **Insured** in his or her capacity as director, officer or other **Insured** capacity except as follows \_\_\_\_\_

\_\_\_\_\_

If no such claims, check here: None

(b) No Applicant, director, officer or other proposed **Insured** has knowledge or information of any fact, circumstance, situation, event or transaction which may give rise to a **Claim** under the proposed insurance except as follows \_\_\_\_\_

If no such knowledge or information, check here: None

It is agreed that any **Claim** based upon or arising out of any claim or fact, circumstance, situation, event or transaction which should have been disclosed above is excluded from coverage under the proposed insurance.

16. Attach the following materials regarding the Applicant:

- (a) the latest Annual Report to Stockholders and Form 10-K if applicable;
- (b) the latest interim financial statement and Forms 10-Q and/or 8-K if applicable;
- (c) a copy of the Notice to Stockholders and the Proxy Statement for either the last or the next annual meeting;
- (d) copies of any filings made pursuant to Section 13(d) of the Securities Exchange Act of 1934 for the last two years;
- (e) a copy of the indemnification provisions of the charter, by-laws or articles of incorporation;
- (f) Latest CPA management letter along with Applicant's responses to any recommendations made therein;
- (g) a complete list of all Directors and Officers of the Applicant by name and affiliation with other organizations; and
- (h) a complete list of all other proposed Applicant by name, title, responsibility and affiliation with other organizations.

THE UNDERSIGNED DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. FOR NEW HAMPSHIRE APPLICANTS, THE FOREGOING STATEMENT IS LIMITED TO THE BEST OF THE UNDERSIGNED'S KNOWLEDGE, AFTER REASONABLE INQUIRY. THE SIGNING OF THIS APPLICATION DOES NOT BIND THE UNDERSIGNED TO COMPLETE THE INSURANCE. IT IS REPRESENTED THAT THE STATEMENTS CONTAINED IN THIS APPLICATION AND THE MATERIALS SUBMITTED HERewith ARE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND HAVE BEEN RELIED UPON BY THE INSURER IN ISSUING ANY POLICY. THE INSURER IS AUTHORIZED TO MAKE ANY INVESTIGATION AND INQUIRY IN CONNECTION WITH THIS APPLICATION AS IT DEEMS NECESSARY.

THIS APPLICATION AND MATERIALS SUBMITTED WITH IT SHALL BE RETAINED ON FILE WITH THE INSURER AND SHALL BE DEEMED ATTACHED TO AND BECOME PART OF THE POLICY IF ISSUED. PROVIDED, HOWEVER, THIS PARAGRAPH DOES NOT APPLY IN THE STATES OF NORTH CAROLINA, UTAH AND WISCONSIN.

NOTE TO NORTH CAROLINA, UTAH AND WISCONSIN RESIDENTS: ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE MADE A PART HEREOF PROVIDED THIS APPLICATION AND SUCH MATERIALS ARE ATTACHED TO THE POLICY AT THE TIME OF ITS DELIVERY.

IT IS AGREED IN THE EVENT THERE IS ANY MATERIAL CHANGE IN THE ANSWERS TO THE QUESTIONS CONTAINED IN THIS APPLICATION PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE INSURER IN WRITING AND ANY OUTSTANDING QUOTATIONS MAY BE MODIFIED OR WITHDRAWN AT THE INSURER'S DISCRETION.

The Undersigned hereby acknowledges that:

1. this Policy applies to **Claims** first made or deemed made, during the **Policy Period** or **Optional Extension Period**, if purchased, and
2. the Limit of Liability available to pay damages or settlements will be reduced, and may be completely exhausted, by the payment of **Costs, Charges and Expenses** and in such event, the Insurer shall not be responsible for the continued **Costs, Charges and Expenses** or for the amount of any judgment or settlement to the extent that any of the foregoing exceed any applicable Limit of Liability.

#### FRAUD WARNING

**ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.**

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

**NOTICE TO LOUISIANA AND MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO OKLAHOMA APPLICANTS:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURY, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

**NOTICE TO PENNSYLVANIA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO NEW YORK AND KENTUCKY APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND NEW YORK APPLICANTS SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

Signed:

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Must be signed by  
Chief Executive Officer or President  
of Applicant

Date:

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(Day) (Month) (Year)

If this Application is completed in Florida, please provide the Insurance Agent's name and Florida license number.

If this application is completed in Iowa or New Hampshire, please provide the Insurance Agent's name and signature only.

\_\_\_\_\_  
Name of Insurance Agent

\_\_\_\_\_  
License Identification No.

\_\_\_\_\_  
Authorized Representative

*If this Application is completed in Wisconsin, please note the following:*

- *If you cancel, earned Premium shall be computed on a short rate basis. The Premium shall be deemed fully earned if any **Claim** under this policy is reported to us on or before the date of cancellation.*
- *The Optional Extension Period Endorsement will not be issued unless we receive a written request for it within thirty (30) days after this policy is cancelled or non-renewed, nor will it take effect unless the additional Premium is paid within thirty (30) days after this policy is cancelled or non-renewed. Once that Premium is paid the endorsement may not be cancelled and the additional Premium will be fully earned.*
- *If, during the Policy Period, any of the following changes occur:*
  1. *the acquisition of an Insured, or of all or substantially all of its assets, by another entity, or the merger or consolidation of an Insured into or with another entity such that the Insured is not the surviving entity; or*
  2. *the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors of an Insured;*

*coverage under this policy will continue in full force and effect with respect to **Claims** for **Insured Events** or, if purchased, **Third Party Insured Events** committed before such change, but coverage will cease with respect to **Claims** for **Insured Events** or, if purchased, **Third Party Insured Events** committed after such change. After any such change, this policy may not be cancelled, regardless of **CONDITIONS** section **VIII.E** Cancellation, and the entire Premium for the policy will be deemed fully earned.*