

MAIN FORM APPLICATION FOR
PRIVATE COMPANY DIRECTORS AND OFFICERS AND
CORPORATE LIABILITY INCLUDING EMPLOYMENT
PRACTICES LIABILITY INSURANCE
(*"PRIVATE PLUS"*)

NOTICE: THIS IS AN **APPLICATION** FOR A CLAIMS-MADE POLICY WHICH, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY **CLAIM** FIRST MADE AGAINST ANY OF THE **INSUREDS** DURING THE **POLICY PERIOD**. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES, JUDGMENTS, OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED AS **DEFENSE COSTS**. ANY **DEFENSE COSTS** THAT ARE INCURRED SHALL BE APPLIED AGAINST THE APPLICABLE RETENTION. THIS POLICY DOES NOT PROVIDE FOR ANY DUTY BY THE INSURER TO DEFEND ANY OF THE **INSUREDS**. IF THE POLICY CONTAINS A RETROACTIVE DATE, THEN THE POLICY PROVIDES NO COVERAGE FOR **CLAIMS** FOR ANY **WRONGFUL ACT** COMMITTED PRIOR TO THE **POLICY INCEPTION DATE** OR THE RETROACTIVE DATE.

INSTRUCTIONS FOR COMPLETING THIS **APPLICATION**

Please read the instructions as well as each question carefully, and complete this **Application** in full; attach all requested information and submit all required materials. If coverage is bound, this **Application** (which includes its attachments and the materials submitted therewith) will be attached to the Policy and will constitute a part thereof. Please note that the terms appearing in boldface in the above Notice and in any of the below questions in the **Application** are defined in the Policy or are otherwise herein defined in the **Application** and shall have the same meaning in this **Application** as in the Policy.

All questions must be answered. If a question is not applicable, state "Not Applicable." If the answer to any question is none, state "None." If space is insufficient to answer any questions fully, attach a separate sheet(s).

1. GENERAL INFORMATION - **Applicant** means the **Insured Company** acting on behalf of all **Insureds**

- A. Name of **Applicant** _____
- B. Mailing Address _____

- C. Location Address _____

- D. State of Incorporation or Charter _____
- E. Date of Incorporation or Charter _____

2. OPERATIONS

- A. Nature of Operations of **Applicant** and its **Subsidiaries**: _____

- B. **Applicant** has been in business since _____
- C. Has the **Applicant** been derived from any predecessor entity during the past five (5) years? Yes No
If Yes, provide details. _____

- D. Does the **Applicant** or any of its **Subsidiaries** perform or intend to perform any professional services for others for fees or commissions? Yes No
If Yes, provide details. _____

E. Does the **Applicant** or any of its **Subsidiaries** conduct any publishing, advertising or broadcasting operations? Yes No

If Yes, provide details. _____

F. Does the **Applicant** or any of its **Subsidiaries** act, or intend to act, as a general partner to a limited partnership? Yes No

If Yes, provide details. _____

3. FINANCIAL INFORMATION - For latest fiscal year ending _____ (Date)

A. Total Assets _____

B. Total Equity _____

C. Total Revenues _____

D. Net Income (Loss) _____

4. OWNERSHIP OF **APPLICANT**

A. Details of Securities

(1) Is the **Applicant** stock owned? Yes No

If No, describe the type of ownership (i.e., mutual, other). _____

(2) Are any of the **Applicant's** securities publicly traded? Yes No

If Yes, describe such security or securities (i.e., common stock, preferred stock, units, warrants, debts). _____

B. Details of Ownership

(1) Total number of authorized common shares. _____

(2) Total number of outstanding common shares. _____

(3) Total number of common shareholders. _____

(4) Total number and type of shares owned directly or beneficially by the **Directors and Officers**. _____

(5) Are any other securities convertible to common shares? Yes No

If Yes, describe. _____

(6) Identify each individual or entity that owns 5% or more of any class of the **Applicant's** equity securities and indicate the percentage of equity securities held by each such individual or entity:

Shareholder	Class of Stock (i.e., common, preferred)	% Ownership of that Class	If convertible to common stock, % of ownership with respect to common stock

5. **SUBSIDIARIES**

A. List all **Subsidiaries** (Attach a separate schedule, if needed)

Name	Nature of Business	Date Acquired Created	% Owned By Applicant	Domestic or Foreign

B. If any of the **Subsidiaries** are not 100% owned by the **Applicant**, identify each individual or entity that owns 5% or more of the equity of any securities of any **Subsidiary** (Attach separate schedule, if needed). _____

IT IS UNDERSTOOD AND AGREED THAT COVERAGE WILL NOT BE PROVIDED FOR **SUBSIDIARIES** UNLESS SUCH **SUBSIDIARIES** ARE LISTED ABOVE OR BY ATTACHMENT PROVIDING SIMILAR INFORMATION.

6. **CHANGES IN APPLICANT’S MANAGEMENT OR OUTSIDE ADVISORS**

A. In the past three (3) years, has any executive officer or member of the Board of Directors of the **Applicant** resigned or been forced to resign for reasons other than death or retirement? Yes No

If Yes, provide details. _____

B. Has the **Applicant** changed its outside auditors or outside legal counsel within last two (2) years? Yes No

If Yes, provide details as to why the change was made. _____

C. Identify the **Applicant’s** current outside legal counsel. _____

D. Identify the **Applicant’s** current outside auditors. _____

7. **APPLICANT TRANSACTIONS** - If Yes to any of the below questions, describe the essential terms of each transaction or contemplated transaction in an attachment to this **Application**

A. Financial Transactions

(1) Has the **Applicant** or any **Subsidiary** filed or been the subject of, or is presently considering filing or being the subject of, any bankruptcy proceeding, legal or financial reorganization, or similar reorganization arrangement with creditors: Yes No

a. Within the past three (3) years?

b. Within the next 18 months?

(2) Has the **Applicant** or any **Subsidiary** borrowed funds or incurred indebtedness or is the **Applicant** or any **Subsidiary** considering borrowing funds or incurring indebtedness where the transaction increased, or would increase, the **Applicant’s** consolidated liabilities by 10% or more:

a. Within the past three (3) years?

b. Within the next 12 months?

(3) With respect to any debt covenants, loan agreements, or contractual obligations of the **Applicant** or any **Subsidiary**:

- | | Yes | No |
|---|--------------------------|--------------------------|
| a. Has the Applicant or any Subsidiary been in material breach of any of the above within the past three (3) years? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is the Applicant or any Subsidiary currently in material breach of any of the above? | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, has the Applicant been able to obtain waivers of such? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Does the Applicant or any Subsidiary anticipate any such material breach occurring within the next 12 months? | <input type="checkbox"/> | <input type="checkbox"/> |

B. Mergers, Acquisitions, Divestitures

(1) Has the **Applicant** or any **Subsidiary** been involved in, or is the **Applicant** presently considering, any merger, consolidation, acquisition, tender offer or divestment or sale of stock in excess of 10% of the total stock outstanding:

- | | | |
|-------------------------------------|--------------------------|--------------------------|
| a. Within the past three (3) years? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Within the next 12 months? | <input type="checkbox"/> | <input type="checkbox"/> |

(2) During the past 12 months, has the **Applicant** or any **Subsidiary** terminated, rescinded, or declined any acquisition, merger, tender offer, or divestiture?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

C. Securities Transactions

(1) Has the **Applicant** or any **Subsidiary** filed, or contemplated filing a registration statement with any governmental authority for an offering of securities:

- | | | |
|-------------------------------------|--------------------------|--------------------------|
| a. Within the past three (3) years? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Within the next 12 months? | <input type="checkbox"/> | <input type="checkbox"/> |

If Yes to either of the above, provide details and attach a copy of such registration statement(s) and prospectus(es), if available. _____

(2) Has the **Applicant** or any **Subsidiary** had, or does the **Applicant** anticipate having, a private placement offering of securities:

- | | | |
|-------------------------------------|--------------------------|--------------------------|
| a. Within the past three (3) years? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Within the next 18 months? | <input type="checkbox"/> | <input type="checkbox"/> |

If Yes to either of the above, provide details and attach a copy of such private placement memorandum, if available. _____

8. CERTAIN CORPORATE PROVISIONS

If permitted by law, has the **Applicant** or any **Subsidiary** adopted a provision limiting the liabilities of its **Directors or Officers**?

Yes No

If Yes, attach a copy of the personal liability limitation provisions from the **Applicant's** Certificate of Incorporation or Corporate Bylaws.

IF ANSWERS TO QUESTION 8 DIFFERS FOR THE **APPLICANT** AND/OR ITS **SUBSIDIARIES**, PROVIDE DETAILS IN A SEPARATE ATTACHMENT TO THIS **APPLICATION**.

9. EMPLOYMENT PRACTICES LIABILITY INFORMATION

A. The number of employees. _____

B. The number of employees who make over \$50,000. _____

C. Number of employees in the following states:

California _____ Texas _____ New Jersey _____ Ohio _____ Michigan _____

D. Total number of Fair Labor Standards Act non-exempt employees. _____

E. Total number of Fair Labor Standards Act exempt employees. _____

F. Total number of unionized employees. _____

G. Turnover ratio for last three years:

1 year ago _____ 2 years ago _____ 3 years ago _____

H. The number of employees who have been terminated (with or without cause) within the last two (2) years:

	Voluntary	Involuntary
Current Year		
Prior Year		

I. Is the **Applicant** planning any layoffs or early retirement plans during the next 12 months *(Including ones resulting from any type of company restructuring or office, plan or store closings)?* Yes No

If Yes, provide details and advise what severance benefits will apply *(Provide a description of such benefits, if applicable. If needed, provide details in an attachment to this **Application**).* _____

J. Does the **Applicant** have a human resources department or a personnel department? Yes No

If No, who is responsible for handling any employee-related matters and how are such matters handled *(If needed, provide details in an attachment to this **Application**).* _____

K. Does the **Applicant** have formal policies or procedures regarding any of the following: Yes No

- | | | |
|--|--------------------------|--------------------------|
| (1) Sexual harassment? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) The handling of employees complaints of discrimination? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) AIDS or assisting employees with life threatening or communicable diseases? | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) Accommodating the disabled in accordance with the Americans with Disabilities Act? | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) Employee terminations or layoffs? | <input type="checkbox"/> | <input type="checkbox"/> |
| (6) Substance abuse? | <input type="checkbox"/> | <input type="checkbox"/> |
| (7) Progressive discipline? | <input type="checkbox"/> | <input type="checkbox"/> |

If the answer is Yes to any of the above, attach the formal policies or procedures. With respect to Question 9.K.(5), advise what severance benefits, if any, are provided. Provide details in an attachment to this **Application**.

L. Does the **Applicant** use outside employment counsel for employment advice or defense? Yes No

If Yes, identify. _____

M. If outside employment counsel is not retained, who is responsible for employment advice and defense?

- N. Does the **Applicant** have an employment-at-will statement (in their employee manual or employment application) and contract disclaimers? Yes No
If Yes, attach a copy.
- O. Does the **Applicant** have a formal employment contract with any employee? Yes No
If Yes, how many? _____
- P. What is the total annual compensation paid pursuant to all employment contracts? _____

10. CURRENT INSURANCE INFORMATION

- | | |
|--|---|
| <p>A. Directors and Officers Liability (D & O)</p> <p>(1) Carrier(s) _____</p> <p>(2) Policy Period _____</p> <p>(3) Limit _____</p> <p>(4) Retention _____</p> <p>(5) Premium _____</p> | <p>B. Employment Practices Liability (EPLI)</p> <p>(1) Carrier(s) _____</p> <p>(2) Policy Period _____</p> <p>(3) Limit _____</p> <p>(4) Retention _____</p> <p>(5) Premium _____</p> |
|--|---|
- Attach a copy of the current or most recent D & O policy and EPLI policy, if available.
- C. Have any Directors or Officers Liability Insurance or Employment Practices Liability Insurance carriers or carriers of similar insurance ever declined, canceled or refused to renew coverage? Yes No
- If Yes, provide details. _____

IF THE **APPLICANT** MAINTAINS DIRECTORS AND OFFICERS LIABILITY COVERAGE WITH NORTHLAND INSURANCE COMPANIES BUT DID NOT PURCHASE ENTITY COVERAGE UNDER INSURING CLAUSE C. OF THE POLICY, SKIP QUESTION 11.A. AND 13.A.

11. PAST/PENDING CLAIMS

- A. There has not been, nor is there now pending, any **Claim** against any person proposed for insurance (including without limitation any **Claim** against any such person(s) for any **Employment Practices Wrongful Act**, as described in the proposed insurance, or any complaint against any such person(s) before the Equal Employment Opportunity Commission or any similar state or local authority) in his/her capacity as either a **Director or Officer** of the **Applicant** or is **Subsidiaries**, except as follows:
- _____
- Provide details in an attachment to this **Application**. If there is no such **Claim**, check here None
- B. There has not been, nor is there now pending, any **Claim** against the **Insured Company** proposed for insurance (including without limitation any **Claim** against the **Insured Company** for any **Employment Practices Wrongful Act**, as described in the proposed insurance, or any complaint against the **Insured Company** before the Equal Employment Opportunity Commission or any similar state or local authority) except as follows:
- _____
- Provide details in an attachment to this **Application**. If there is no such **Claim**, check here None
- C. Has such **Claim** been the subject of notice to any insurance carrier? Yes No
- If Yes, provide details in an attachment to this **Application** (include **Loss payments and Defense Costs** if applicable).

12. LITIGATION

- A. During the past five (5) years, has the **Applicant**, any of its **Subsidiaries** or any of its **Directors or Officers** been involved in or is currently involved in any of the following:
- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| (1) Any anti-trust, copyright or patent litigation? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) Any civil, criminal or administrative proceeding alleging or investigating a violation of any federal or state securities law or regulation? | <input type="checkbox"/> | <input type="checkbox"/> |

Yes No

(3) Any representative action, class action or derivative suits?

(4) Any other material litigation?

A. Has the **Applicant** ever been involved in any grievance or other administrative hearings before any of the following agencies and/or under any of the following acts:

(1) National Labor Relations Board

(2) Federal Labor Standards Act

(3) Equal Employment Opportunity Commission

(4) Fair Labor Standards Enforcement Act

(5) Any state labor department or fair employment agency

If any of the answers to Question 11 are answered Yes, provide full details in an attachment to this **Application**.

13. PRIOR KNOWLEDGE

A. No **Director or Officer** has knowledge or information of any fact, circumstance or situation (including without limitation to any suspected or threatened **Claim** against any such **Director or Officer** for any **Wrongful Employment Practices Act** or any suspected or threatened complaint against any such **Director or Officer** before the Equal Employment Opportunity Commission or any similar state of local authority) which might reasonably be expected to give rise to a **Claim** under the proposed Policy, except as follows:

If there is no such knowledge or information, check here None

B. The **Insured Company** has no knowledge or information of any fact, circumstance or situation (including without limitation to any suspected or threatened **Claim** against the **Insured Company** for any **Wrongful Employment Practices Act** or any suspected or threatened complaint against the **Insured Company** before the Equal Employment Opportunity Commission or any similar state or local authority) which might reasonably be expected to give rise to a **Claim** under the proposed Policy, except as follows:

If there is no such knowledge or information, check here None

14. It is agreed that with respect to questions 11, 12, and 13, that if such knowledge or information exists (whether or not disclosed), in addition to any other remedy that the Insurer may have, any **Claim** arising therefrom will be excluded from this proposed coverage.

15. REQUIRED ATTACHMENTS

Submit the following documents with respect to the **Applicant** as an attachment to this **Application**:

- A. A list of the names and affiliations of all **Directors** of the **Applicant** (including **Subsidiaries**) and the names and official titles of all **Officers** of the **Applicant** (including **Subsidiaries**).
- B. The latest CPA audited report, accountant's compilation or review report.
- C. The latest available interim financial statements available inclusive of a balance sheet, year-to-date income statement and cash flow statement.
- D. The latest CPA letter to management on internal controls and any written response thereto.
- E. A copy (certified by the Corporate Secretary) of the indemnification provision in the corporate bylaws.

16. The undersigned authorized officer of the **Applicant** declares on behalf of the **Applicant** and all of the **Directors and Officers** that to the best of his/her knowledge the particulars and statements made in this **Application** (which includes all attachments and any other materials submitted to the insurer) are true and correct and that reasonable efforts have been made to obtain sufficient information to accurately complete this **Application**. The undersigned authorized officer agrees that if any of the information contained in this **Application** is rendered inaccurate or incomplete as a result of any occurrence, event, or other circumstance which takes place after the date of this **Application** and prior to the effective date of the Policy, he/she (the undersigned authorized officer) will immediately notify the Insurer of such occurrence, event or circumstance and shall provide the Insurer with the information that would complete, update or correct the information contained in the **Application**. The Insurer, at its sole discretion, may withdraw or modify any outstanding quotations.

Signing of this **Application** does not bind the **Applicant** or the Insurer to complete the insurance, but it is agreed that the **Application** (which includes all its attachments and other materials submitted to the Insurer) shall be the basis of the contract should a Policy be issued. It is further agreed that the **Application** as defined will be attached to and become a part of the Policy and that all attachments and materials submitted therewith (which shall be on file with the Insurer and deemed attached to the Policy as if physically attached thereto) are true and are the basis of the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.

FRAUD WARNING

Any person who knowingly and with intent to defraud any insurance company or another person files an **Application** for insurance 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 in certain jurisdictions.

NOTICES

Notice to Arkansas 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 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 policy holder 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 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 false, incomplete or misleading information is guilty of a felony of the third degree.

Notice to Kentucky Applicants. Any person who knowingly and with intent to defraud any insurance company or other person files an **Application** for insurance 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.

Notice to New Jersey Applicants. Any person who includes any false or misleading information on an **Application** for an insurance policy is subject to criminal and civil penalties.

Notice to Ohio Applicants. Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an **Application** or files a **Claim** containing a false or deceptive statement is guilty of insurance fraud.

Notice to Pennsylvania Applicants. Any person who knowingly and with the 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 or material thereto commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.

President's or Chairman of the Board's Signature Title Date

Name of Insured Company

Corporate Seal

A POLICY CANNOT BE ISSUED UNLESS THE **APPLICATION** IS PROPERLY COMPLETED, SIGNED, AND DATED.

Attest Date

Broker Date

Address

Please read the following statement carefully and sign and date where indicated. If a Policy is issued, this signed statement will be attached to the Policy as part of this **Application**.

The undersigned authorized officer of the **Applicant** hereby acknowledges that by affixing his/her signature to this statement that he/she is aware that the Limit of Liability contained in this Policy shall be reduced, and may be completely exhausted, by legal **Defense Costs** and in such event, the Insurer shall not be liable for the legal **Defense Costs** or for the amount of any judgment or settlement to the extent that such exceeds the Limit of Liability of this Policy.

The undersigned authorized officer of the **Applicant** hereby further acknowledges that he/she is aware that **Defense Costs** that are incurred shall be applied against the self-insured Retentions and shall be applied as part of the uninsured percentage of **Loss**.

President or Chairman of the Board's Signature Title Date

Name of Insured Company

Corporate Seal