

- c. Does any person or entity other than the **Company** own 10% or more of any such **Subsidiary**? Yes___ No___
- If yes, give details: _____
3. Does any entity or person or does any group of persons related by consanguinity, adoption or foster care, marriage or former marriage, directly or beneficially, own 5% or more of any class of shares issued by the **Named Company**? Yes___ No___
If yes, identify all such persons or entities and indicate for each the percentage of ownership of the **Named Company's** shares (by class): _____
4. Has the **Company** at any time over the last five years been in breach of any of its debts, covenants or loan agreements? Yes___ No___
5. a. Is the **Company** presently considering, or does it contemplate making, any acquisitions, tender offers or mergers? Yes___ No___
b. Has the **Company** made any filing pursuant to Section 13(d) of the Securities Exchange Act of 1934 during the last two years? Yes___ No___
c. Have there been any acquisitions made over the last five years which have increased the total assets of the **Company** by 5% or more? Yes___ No___
If yes to a., b., or c., attach details.
6. Has the **Company** filed within the past 18 months, or does it contemplate filing within the next 12 months, any registration statement with the Securities and Exchange Commission for a public offering of securities? Yes___ No___
7. Has the **Company** issued within the past 18 months, or does it contemplate issuing within the next 12 months, any shares (common or other)? Yes___ No___
If yes, give details: _____
8. Has the **Company** at any time over the last five years changed its accountants or external general counsel? Yes___ No___
If yes, give details including reasons for changes: _____
9. Has any **Insured** been involved in any of the following within the last 5 years?
- | | |
|--|--------------|
| a. anti-trust or price-fixing litigation | Yes___ No___ |
| b. tax, copyright or patent litigation | Yes___ No___ |
| c. governmental regulatory or administrative proceedings | Yes___ No___ |
| d. shareholder litigation | Yes___ No___ |
- If yes to any of the above, please attach details.
10. Give details of the **Company's** current directors and officers insurance:
- Insurer: _____
Limit: _____
Period: _____
Retention: _____
Premium: _____
Loss Experience: _____
- No similar insurance on behalf of the **Company** has been declined, cancelled, or renewal thereof refused, except as follows (if answer is none, so state): _____

11. NUMBER OF EMPLOYEES: Full Time _____ Part Time/Temporary/Seasonal _____
 (Indicate total for each category during the last 12 months)
 How many employees have been terminated for cause in each of the last three (3) years?
 Current Year _____ One Year Prior _____ Two Years Prior _____
12. Has the **Company** closed any facilities or laid off any employees during the last three (3) years, or does the **Company** intend to close any facilities or lay off any employees during the next 24 months? Yes___ No___
 If yes, please attach details.
13. a. Does the **Company** have an employment handbook? Yes___ No___
 b. Does the handbook state that the employment relationship between the **Company** and the employee is an at-will relationship? Yes___ No___
 c. Does the handbook state that the handbook does not constitute a written employment agreement? Yes___ No___
 d. Does the **Company's** employment application state that the employment relationship between the **Company** and the employee is an at-will relationship? Yes___ No___
14. Are employees subject to regular written performance evaluations? Yes___ No___
15. Does the **Company** have a written grievance policy? Yes___ No___
16. Does the **Company** have written policies or procedures regarding the following?
 a. Equal Employment Opportunity Yes___ No___
 b. Sexual Harassment Yes___ No___
 c. Assisting Employees with life-threatening or communicable diseases, including AIDS/HIV Yes___ No___
 d. Accommodating the disabled in accordance with the Americans With Disabilities Act Yes___ No___
17. Has the **Company** established an affirmative action program? Yes___ No___
18. Has any **Insured** been named as a defendant or respondent before any of the following agencies and/or under any of the following acts within the past (5) years?
 National Labor Relations Board Yes___ No___
 Equal Employment Opportunity Commission Yes___ No___
 U.S. Department of Labor Yes___ No___
 Any state or local government agency such as the Labor Department or Fair Employment Agency Yes___ No___
 Fair Labor Standards Act Yes___ No___
 Title VII of the Civil Rights Act of 1964 Yes___ No___
 Age Discrimination in Employment Act Yes___ No___
 Americans With Disabilities Act Yes___ No___
 Equal Pay Act Yes___ No___
 Family and Medical Leave Act Yes___ No___
- If the answer to any of the above is yes, please identify the claimant and the nature of the claim and describe the result of the claim on a separate sheet of paper.
19. No **Claim**, which if insurance has been in force similar to that now proposed would have fallen within the scope of such insurance, has been made or is now pending against any person(s) or entity proposed for insurance, except as follows (if answer is none, so state): _____

20. No person proposed for this insurance is cognizant of any **Wrongful Act**, fact, circumstance or situation which he/she has reason to suppose might afford grounds for any future **Claim** such as would fall within the scope of the proposed insurance, except as follows (if answer is none, so state): _____

It is agreed by all concerned that if any person(s) or entity(ies) applying for this insurance has any knowledge of any such **Wrongful Act**, fact, circumstance, or situation, any **Claim** subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

21. The undersigned declares that to the best of his/her knowledge the statements herein are true, and that reasonable efforts have been made to obtain sufficient information from all of the **Insureds** to accurately complete this Application. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this Application will be attached to and become a part of such Policy, if issued. The **Insurer** is hereby authorized to make any investigation and inquiry in connection with this Application as it may deem necessary.

22. It is warranted that the particulars and statements contained in the Application for the Policy and any materials submitted herewith (which shall be retained on file by the **Insurer** and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the Policy and are to be considered as incorporated into and constituting a part of the Policy.

23. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the applicant will notify the **Insurer** and, at the sole discretion of the **Insurer**, any outstanding quotations may be modified or withdrawn.

Signed _____

Must be Signed by Chairman of the Board or President Of Named Company

Capacity/Title _____ Submitted by _____ (Agent)

Company _____ Date _____

Date _____

WARNING

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

FOR NEW YORK RESIDENTS ONLY:

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 ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000.00) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.