

MANAGEMENT LIABILITY



APPLICATION FORM

SHORE

When completing this Application Form

- Please answer all questions giving full and complete answers. It is the duty of the applicant to provide all information that is requested in the application form and any additional material facts.
- A material fact is such known fact and/or circumstance that may influence the evaluation of the risk by the Insurer and may influence the acceptance of this application for insurance.
- If you have any doubts about what a material fact is, please do not hesitate to contact your Broker. If you fail to disclose a material fact, it may affect how claims are settled under the policy or it may render the policy invalid.
- The application form must be completed, signed, and dated by a person who must be of legal capacity and authorised.

DETAILS OF BUSINESS

1. Please complete the following details:

Company Name: _____

Principal Address: _____

Website Address: _____

Date incorporated: _____

BUSINESS ACTIVITIES

2. Please describe the company's nature of business:

SUBSIDIARY INFORMATION

3. Please list all the subsidiaries for which cover is desired:

Name of Subsidiary	Nature of business:	Ownership
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

SHAREHOLDER INFORMATION

4. Total number of common shareholders: _____
5. Percentage of shares held by Directors and Officers: _____ %
6. Does any shareholder own 10% or more of the voting shares directly or beneficially? Yes No

If you answered "Yes", please complete the table below:

Name of shareholder	% Ownership	Board representation:
_____	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No

FINANCIAL INFORMATION (CAD)

7. Please include all subsidiaries, based on the most recent fiscal year end:

Total Assets: \$ _____ Percentage of assets in USA: _____ %

Total Revenue: \$ _____ Percentage of revenue from USA: _____ %

8. During the last fiscal year, did the company:

Achieve a Profit? Yes No

Have a positive Net Worth? Yes No

9. In the last 24 months, has the company been in violation of or amended any debt covenant or loan agreement? Yes No

10. Is the company currently in arrears of payments to the Canada Revenue Agency or the provincial ministries of revenue? (including source deductions, GST/HST/PST) Yes No

If you answered 'Yes' to 9. or 10. above, please provide further details.

MERGERS, ACQUISITIONS & DIVESTITURES

11. Have you in the last 3 years, or during the next 12 months plan for:

- a.** any mergers, acquisitions, consolidations / divestiture involving the company? Yes No
- b.** any private placement or other offering securities? Yes No
- c.** any bankruptcy proceeding, reorganization or any other arrangement with creditors? Yes No

If you answered "Yes" to any of the above, please provide further details.

EMPLOYMENT PRACTICES

12. Do you have a full-time Human Resources manager or the equivalent? Yes No

If you answered 'no', how is this function currently being handled?

13. Do you have written procedures in place for the following:

- a.** Discrimination? Yes No
- b.** Employee terminations? Yes No
- c.** Progressive discipline policies and procedures? Yes No
- d.** Employee grievances or complaints? Yes No
- e.** Sexual harassment and workplace harassment? Yes No

If you answered 'no' for any of the above, please explain.

- 14.** Please state whether in the past 12 months if there has been or, anticipated in the next 12 months, any reduction in your workforce or anticipated layoffs? Yes No

If you answered 'no' above, please provide further details including the number of employees possibly affected:

CLAIMS & INSURANCE HISTORY

- 15.** 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

- 16.** Have you or any of your 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 securities laws or regulations? Yes No
 - c.** any representative action, class action or derivative suit? Yes No
 - d.** any material litigation or criminal, governmental or administrative proceeding? Yes No
 - e.** any insolvency or bankruptcy proceedings? Yes No

If you answered 'yes' for any of the above, please provide further details.

PRIOR LITIGATION

17. Has there been, or are there now pending, any claims against the applicant or any past or present directors, officers, or employees of the applicant:

a. involving any employment law?

Yes No

b. involving non-employment related discrimination or sexual harassment?

Yes No

If you answered 'yes' for any of the above, please provide further details.

WARRANTY STATEMENT

18. Is any individual proposed for this insurance aware of any fact, circumstance or situation involving the applicant, the directors or officers of the proposed insured which may give rise to a claim under the policy to which this application will be attached?

Yes No

If you answered 'yes', please provide further details.

DECLARATION

I/We declare that the answers to the questions in this proposal form are true and accurate having consulted with all partners or directors and other persons involved in the management of the applicant firm.

This application must be signed by a corporate officer with authority to sign on the applicant's behalf.

I/we understand that the information provided will be used in deciding whether the insurer will accept the application, the terms of any policy provided, and the price charged by the insurer for the risk.

Signed: _____

Title: _____

Name: _____

Date: _____

ADDITIONAL INFORMATION

Please provide any additional information which would be relevant to the insurance being purchased or any additional material facts not captured above.

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SHORE