



ENCON Group Inc.  
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# Application

## Directors and Officers Liability Insurance (Profit Corporations)

**Submitting Broker, please complete the following to assist us in processing this submission:**

Name of Brokerage: \_\_\_\_\_

Name of Broker Contact: \_\_\_\_\_

Brokerage Address: \_\_\_\_\_ City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

For renewal purposes only: Policy Number: \_\_\_\_\_ ISN (Client's Number): \_\_\_\_\_

- NOTE:**
1. All questions must be completed in their entirety and the information requested in the "Attachments" section must be submitted with this Application.
  2. Capitalized terms used herein are defined in the policy wording.

### CORPORATE INFORMATION

1. (a) Name: \_\_\_\_\_
- (b) Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Postal Code: \_\_\_\_\_ Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_
- (c) Nature of Business: \_\_\_\_\_
- (d) Incorporated under the laws of: \_\_\_\_\_ Date: \_\_\_\_\_

### STOCK OWNERSHIP

2. (a) Number of voting stock shareholders: \_\_\_\_\_
  - (b) Percentage of voting shares owned by directors and officers (directly and beneficially): \_\_\_\_\_
  - (c) Name and percentage of holdings of any shareholder who owns 10% or more of the voting shares (directly or beneficially):  
 \_\_\_\_\_
  - (d) Is the CORPORATION or any of its SUBSIDIARIES publicly traded? YES  NO
- If yes, list the Exchanges: \_\_\_\_\_
- Price range over the last 12 months: High: \$ \_\_\_\_\_ Low: \$ \_\_\_\_\_ Current: \$ \_\_\_\_\_

## STRUCTURAL CHANGES

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3. (a) Is the CORPORATION presently involved in or considering any acquisitions, mergers, or major divestitures? YES  NO
- (b) Is the CORPORATION presently involved in or considering any offering of securities? YES  NO
- (c) In the past 24 months, has the CORPORATION been involved in any offering of securities? YES  NO

If yes to any of the above, attach details.

## INTERNATIONAL EXPOSURE

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As at the date of this Application, list the following:

- |  | <u>Canada</u> | <u>U.S.A.</u> | <u>Other</u>   |
|--|---------------|---------------|--|
| 4. (a) Percentage of assets of the CORPORATION in:                                 | _____ %       | _____ %       | _____ %  |
| (b) Percentage of shares of the CORPORATION held in:                               | _____ %       | _____ %       | _____ %  |
| (c) Percentage of sales of the CORPORATION made in:                                | _____ %       | _____ %       | _____ %  |
| (d) Percentage of employees of the CORPORATION in:                                 | _____ %       | _____ %       | _____ %  |
| (e) Does the CORPORATION plan to expand its U.S.A. exposure in the next 12 months? |               |               | YES <input type="checkbox"/> NO <input type="checkbox"/> |

If yes, attach details.

## FINANCIAL

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5. (a) Is the CORPORATION currently or has it during the past three years been in arrears in its payments of monies payable to Revenue Canada or the provincial ministries of revenue (including source deductions, G.S.T. and P.S.T.)? YES  NO
- (b) Is the CORPORATION currently or has it at any time during the past three years sought protection under the "Companies' Creditors Arrangement Act" (Canada) or "Chapter 11" (U.S.) or does it anticipate seeking such protection within the next twelve months? YES  NO
- (c) Is the CORPORATION currently or has it at any time during the past three years been in a material breach of any of its debt covenants, loan agreements, contractual obligations, or does it anticipate any such breach occurring within the next twelve months? YES  NO
- (d) Does the CORPORATION derive more than 25% of its annual revenue from one customer? YES  NO

If yes to any of the above, attach details.

## PRIOR D&O INSURANCE

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6. (a) Has any similar insurance on behalf of the CORPORATION or its directors and officers been declined, cancelled or renewal thereof refused? YES  NO

If yes, attach details.

- (b) Have any claims, or facts or circumstances which might reasonably give rise to a claim, been reported to the current or previous directors and officers liability insurance carrier(s)? YES  NO

If yes, attach details.

- (c) Previous Directors and Officers Liability Insurance:

Insurer(s)	Expiration Date	Limit	Retention
_____	_____	_____	_____
_____	_____	_____	_____

## PAST ACTIVITIES

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7. Has the CORPORATION or any of the directors and officers, whether as executives of the CORPORATION or any other corporation, been the subject of any:
- (a) actions, proceedings or investigations based upon or arising out of an alleged violation of any securities law or regulation, anti-trust law or restrictive trading law or regulation? YES  NO
  - (b) insolvency and/or bankruptcy proceedings? YES  NO
  - (c) actions involving directors and officers other than those listed above? YES  NO

If yes to any of the above, attach details.

## PRIOR KNOWLEDGE

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8. (a) Are there now pending any CLAIMS against any director or officer? YES  NO
- (b) Does any director or officer have knowledge or information of any fact or circumstance which might give rise to a CLAIM? YES  NO

If yes to either of the above, attach full details.

WITHOUT LIMITATION TO ANY OTHER REMEDY AVAILABLE TO THE INSURERS, THE PROPOSED INSURANCE WILL NOT AFFORD COVERAGE TO ANY CLAIMS OF WHICH ANY INSURED HAS KNOWLEDGE NOR ANY CLAIMS RESULTING FROM ANY FACTS OR CIRCUMSTANCES OF WHICH ANY DIRECTOR OR OFFICER HAS KNOWLEDGE.

## APPLICANT'S CONSENT TO THE TRANSMISSION OF THE INFORMATION CONTAINED IN THE APPLICATION FORM

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I hereby acknowledge that the information collected in the Application form is acquired by my insurance broker to be transmitted to ENCON Group Inc. for the sole purpose of obtaining an insurance policy, and will be kept confidential.

Moreover, I authorize ENCON Group Inc., its insurers or service providers to:

- conduct verification, using outside sources, of the information contained in the Application form, in attached documentation and in subsequently provided documentation;
- in the event of a claim, transmit the submitted and verified information to loss adjusters, lawyers or other similar offices for the purposes of investigating, defending, negotiating or settling any claims, as required.

For more information on ENCON's privacy policy, please contact [privacy-officer@encon.ca](mailto:privacy-officer@encon.ca).

## DECLARATIONS AND SIGNATURE

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The undersigned declares:

- (a) that he/she is duly authorized by the directors and officers to complete this Application on their behalf and that the statements set forth herein are true and complete;
- (b) that reasonable efforts have been made to obtain sufficient information from each director and officer of the CORPORATION and its SUBSIDIARIES to facilitate the proper and accurate completion of this Application form;
- (c) that the financial statements submitted with this Application are representative of the current financial position of the CORPORATION including its SUBSIDIARIES (if not, attach details).

The undersigned agrees:

- (a) that if the information supplied on this Application changes between the date of this Application and the effective date of the policy, he/she will provide written notice of such changes immediately to the INSURANCE MANAGER and, without limitation to any other remedy, the INSURANCE MANAGER may withdraw or modify any outstanding quotations, and any authorization or agreement to bind coverage;

(b) that should a policy be issued, this Application and its attachments shall form part of the policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Capacity (Chairman of the Board or President)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company

## **ATTACHMENTS**

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Please submit one copy of each of the following documents which will be considered to be part of this Application:

- (a) Latest annual report including audited financial statements;
- (b) Latest interim financial statement available;
- (c) Latest 10-K and 10-Q reports filed with the S.E.C. (if the shares of CORPORATION or any SUBSIDIARY are traded in the United States);
- (d) Indemnification clause contained in the by-laws;
- (e) Complete list of SUBSIDIARIES (any corporation of which the CORPORATION or a SUBSIDIARY owns more than fifty per cent (50%) of the voting stock) including:
  - (i) the percentage owned,
  - (ii) a description of the nature of business,
  - (iii) and the jurisdiction of incorporation;
- (f) An organizational chart showing the corporate structure, if available; and
- (g) Complete list of duly elected or appointed directors and officers of the CORPORATION and its SUBSIDIARIES.

NOTE: With respect to (e) and (g) above, notwithstanding the content of the lists submitted and subject to the terms and conditions of the proposed insurance, coverage will only be afforded to those companies and individuals that fit within the definitions of SUBSIDIARY and INSURED.