



# Application for Directors & Officers Insurance

Please verify the information in this document. If you wish to make any corrections or changes, please notify us immediately.

Quote Number	Risk Division	Broker/Agent Name	Code	Currency

## APPLICATION FOR DIRECTORS AND OFFICERS LIABILITY INSURANCE

**THIS IS AN APPLICATION FOR A "CLAIMS FIRST MADE" INSURANCE POLICY. IF COVERAGE IS PROVIDED IT WILL APPLY ONLY TO LOSS ARISING FROM CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY WILL BE INCLUSIVE OF DEFENSE COSTS, CHARGES AND EXPENSES INCURRED IN THE DEFENSE OF SUCH CLAIMS.**

### 1. APPLICANT

Name of Applicant: .....

Principal Address: .....

State of Incorporation: ..... Incorporation date: ..... Registration number: .....

For purposes of this Application "Applicant" means the Applicant and any other entity whose directors, officers or other personnel (other than an entity that is a non-profit outside entity) will be insureds under the policy.

### 2. BUSINESS OPERATIONS

Principle Business Activity: .....

If the answer is yes to any of the following, please attach details.

a) Other than that which is currently legally required to be, and is in fact, confidential to the Applicant's board of directors or other governing body ("Board"), have any plans for merger, acquisition or consolidation been approved by the Applicant's Board?

Yes ( ) No ( )

If yes, have plans been submitted to the shareholders for approval?

Yes ( ) No ( )

b) Other than planned offerings that are currently legally required to be, and are in fact, confidential to the Applicant's Board, does the Applicant anticipate any new public offering of securities or any registration of securities under any securities act within the next year?

Yes ( ) No ( )

c) Are there any current filings that have been made with the local securities and exchange commission either by the Applicant in respect to the securities of another entity or by any other person or entity in respect to the Applicant's securities (making this corporation a public corporation)?

Yes ( ) No ( ) If yes, please provide copies.

**Klapton Insurance Company Limited**

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### 3. CAPITAL STRUCTURE

Please attach full details of all currently outstanding publicly traded securities issued by the Applicant. Such information should relate to common stock (voting and non-voting), preferred stock, debentures and any other securities.

### 4. FIDUCIARY LIABILITY INFORMATION (If coverage is required)

a) Please provide plan information for the top five (funded plans):

Name	Type*	Current Year Plan Assets	Prior Year Plan Assets	Number of Plan Participants	Current Funding Status

\*Plan Type: Defined Contribution (DC); Defined Benefit (DB); Non-Qualified Plan (NQ); Employee Stock Ownership Plan (ESOP); Health and Welfare (HW); Other

b) Please provide detail of outside consultants providing services with respect to employee benefit plans:

Type	Name and Address	Years Employed
Actuary		
Administrator		
CPA		
Legal Counsel		
Other		

c) Recent Changes to Plans

If the answer is yes to any of the following, please attach details.

i) Have there been any mergers of plans in the past 3 years?

Yes ( ) No ( )

ii) Has any plan or portion of any plan been transferred or terminated in the past 3 years?

Yes ( ) No ( )

If yes, attach the date of transfer or termination, detail of the distribution of plan assets (i.e. distributed to plan participants, reverted to the company or third party, other)

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iii) Is any plan a cash balance plan, or is any conversion to a cash balance plan being considered?

Yes ( ) No ( )

iv) Has there been any modification to plan's use of employer securities, blackout periods and company matching contributions?

Yes ( ) No ( )

**5. COVERAGE REQUEST**

a) Has the Applicant ever had its directors and officers liability coverage (or fiduciary liability coverage if this extension is required) cancelled or non renewed?

Yes ( ) No ( ) If yes, please provide details.

b) Provide details by attachment of current directors and officers liability coverage (and fiduciary liability coverage if this extension is required) or, if there is no current coverage, the most recent coverage.

c) Does the Applicant request primary coverage or excess and difference in conditions coverage?

Primary ( ) Excess DIC ( )

If excess DIC coverage is requested, please attach details of the proposed directors and officers liability coverage (and fiduciary liability coverage if this extension is required) which will underlie this excess DIC coverage.

d) State the requested limit of liability for this Policy: \_\_\_\_\_

**6. D&O CLAIMS & LITIGATION HISTORY**

If the answer is yes to any of the following, please attach details.

a) Have any payments been made under a previous directors and officers liability policy?

Yes ( ) No ( )

b) Has the Applicant or any proposed insured given written notice under the provisions of any prior or current directors and officers liability policy of facts or circumstances which might give rise to a claim being made against any insured?

Yes ( ) No ( )

c) Are there now pending any suits, claims or proceedings against anyone proposed for coverage?

Yes ( ) No ( )

d) Has the Applicant or any of its directors or officers been involved in any of the following during the past twelve months:

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i) Any anti-trust, copyright or patent litigation?

Yes ( ) No ( )

ii) Any proceeding alleging a violation of any securities law?

Yes ( ) No ( )

iii) Any representative action, class action or derivative suit?

Yes ( ) No ( )

## 7. FIDUCIARY LIABILITY CLAIMS & LITIGATION HISTORY (If coverage is required)

If the answer is yes to any of the following, please attach details.

a) Has any fiduciary been accused, found guilty or held liable for a breach of fiduciary duty?

Yes ( ) No ( )

b) Has any fiduciary been convicted of criminal conduct?

Yes ( ) No ( )

c) Have any claims (other than routine claims for benefits) been made during the past 3 years against any benefit program or any current or past fiduciaries?

Yes ( ) No ( )

d) Has there been any assessment of fees, fines or penalties under any voluntary compliance resolution program or similar voluntary settlement program administered by the Internal Revenue Service, Department of Labor or other government authority with respect to any plan?

Yes ( ) No ( )

e) Has any plan experienced any event that is reportable to the Pension Benefit Guaranty Corporation?

Yes ( ) No ( )

f) Has the Applicant or any proposed insured given written notice under the provisions of any prior or current fiduciary liability policy of facts or circumstances which might give rise to a claim being made against any insured?

Yes ( ) No ( )

## 8. KNOWLEDGE

a) Is anyone proposed for insurance cognizant of any fact or circumstance or any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty that he or she has reason to suppose might result in any future claim such as would fall within the scope of the insurance here applied for?

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Yes ( ) No ( ) If yes, please attach details.

b) Have the Board, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and General Counsel of the Applicant been asked the question in paragraph a) of this item 8?

Yes ( ) No ( )

If no, the Applicant must provide a letter signed by the Applicant's General Counsel that warrants the answer given to the question in paragraph a) of this item 8 is correct.

**9. REQUESTED INFORMATION: D&O**

Please provide copies of the following documents:

- Most recent Annual Report (with audited financial statements)
- Most recent Quarterly Report
- Most recent Proxy Statement
- All indemnification provisions of the Applicant's corporate by-laws
- All written agreements pertaining to indemnification of persons proposed for insurance
- Please attach a list of all acquisitions and divestitures taking place in the last 12 months.

**10. REQUESTED INFORMATION: FIDUCIARY LIABILITY**

Please provide copies of the following documents if the Fiduciary Liability coverage extension is required:

- Copies of the most recently filed Forms for the top 5 funded plans
- Plan description and financial statements for all non-qualified plans
- Audited financial statements with investment portfolios for the five largest plans
- Audited financial statements with investment portfolios for all employee stock ownership plans (ESOPs) and all defined contribution plans providing for or permitting investments in employer securities

**11. DECLARATION AND SIGNATURE (1)**

It is agreed that if any change is made in the charter or other similar formative document, by-laws or written agreement pertaining to indemnification, subsequent to the completion of this application then copies of all such changes shall be submitted to insurer providing coverage within 30 days of such changes being made. In issuing this Policy the insurer providing coverage has relied on the declarations and statements which are contained in this application and which are deemed to be incorporated in the Policy, provided, however, that any misstatement or omission in such application in respect of a specified Wrongful Act by a particular Insured or his cognizance of any matter which he has reason to suppose might afford grounds for a future claim against him shall not be imputed to any other Insured for purposes of determining the availability of coverage under this policy. If any Insured has such awareness or knowledge ("Such Insured") then the resulting claim will not be covered by the proposed insurance for Such Insured. The signatory further declares and represents that any occurrence or event taking place prior to the issuance of the policy applied for which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to insurer providing coverage. The signatory acknowledges and agrees that the submission and the insurer providing coverage's receipt of such written report, prior to the inception of the policy applied for, is a condition precedent to coverage. By execution of this application by the Chairman of the Board or President of the Applicant, the Applicant and all present and future subsidiaries agree to indemnify all persons proposed for insurance and advance defense costs and expenses to the fullest extent required or permitted by their charters or other similar formative documents, by-laws and any indemnification agreements.



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\_\_\_\_\_  
Signature of either Chairman of the Board or President

\_\_\_\_\_  
Date

Print the name of the person signing this application:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## 12. SPECIAL DECLARATION AND SIGNATURE (2)

The Applicant declares that current occurrences caused or may cause an alteration in market value of public issued securities of the Applicant, and may even affect the Applicant rating and/or financial strength. The Applicant declares that these occurrences, related to period commencing the fourth quarter of 2008, and continuously going into 2009, are such that are beyond the Applicant control, without the Applicant's involvement, and cannot be affected by the Applicant or its officers and directors, and that the Applicant, its officers and directors act Bone Fide in these instances.

By execution of this application by the Chairman of the Board or President of the Applicant, the Applicant and all present and future subsidiaries agree to indemnify all persons proposed for insurance and advance defense costs and expenses to the fullest extent required or permitted by their charters or other similar formative documents, by-laws and any indemnification agreements.

\_\_\_\_\_  
Signature of either Chairman of the Board or President

\_\_\_\_\_  
Date

Print the name of the person signing this application:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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### Klapton Insurance Company Limited

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