

Representations and Warranties Insurance Application

RLI Insurance
Transactional Insurance Group
620 Eighth Avenue, 22nd floor
New York, NY 10018

The undersigned, Applicant, is applying for claims made and reported insurance coverage for representations and warranties made as herein described.

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I. Applicant Information

Legal Name: _____

Buyer or Seller? _____

Corporate headquarters address: _____

State of Formation: _____ Date Formed: _____

Nature of Business: _____

Contact: Name: _____

Phone: _____

Email: _____

II. Transaction Information (please attach appropriate document)

Limits Requested: _____

Retention Requested: _____

Policy Period Requested: _____

Duty to Defend Requested: _____ Yes _____ No

Document: _____ Letter of Intent dated _____

_____ Purchase Sale Agreement dated _____

Draft _____ Final _____

Target Company

_____ Public _____ Private

State of Formation: _____

Date Formed: _____

Nature of Business: _____

Seller

_____ Public _____ Private

State of Formation: _____

Date Formed: _____

Nature of Business: _____

Buyer

_____ Public _____ Private

State of Formation: _____

Date Formed: _____

Nature of Business: _____

III. Applicant's Professional Team

Law Firm

Firm Name _____

Address _____

Attorney _____

Phone _____

Email _____

CPA Firm Firm Name _____

Address _____

CPA _____

Phone _____

Email _____

Investment Bank Firm Name _____

Address _____

Manager _____

Phone _____

Email _____

Other Specialists Firm Name _____

Address _____

Manager _____

Phone _____

Email _____

IV. Past Activities

A. To the best knowledge of Applicant, within the past five (5) years, has the Seller(s), Target Company or any of their subsidiaries or affiliates:

1. Changed accountants/auditors? Yes No
2. Changed its method of accounting in a material manner?
 Yes No

If "Yes" to either question, please attach a detailed explanation.

B. To the best knowledge of Applicant, within the past five (5) years, has the Seller(s), Target Company or any of their subsidiaries or affiliates, or any of their respective officers, directors, or executive- or management-level employees been involved in:

1. Any civil or criminal antitrust, fair trade, intellectual property litigation, proceeding or investigation? Yes No
2. Any civil or criminal litigation, proceeding or investigation in connection with any violation or alleged violation of any securities law, rule or regulation?
 Yes No
3. Any class action or shareholder derivative lawsuits?
 Yes No
4. Any litigation, dispute, disagreement, settlement, release, proceeding or investigation in connection with a breach or an alleged breach of a contractual representation and/or warranty, or any discussions with an adverse or potentially adverse party regarding a breach or an alleged breach of such?
 Yes No
5. Any investigation, audit, dispute, disagreement, proceeding, litigation, settlement, or release involving any governmental or regulatory authority?
 Yes No
6. Any bankruptcy proceeding or sought bankruptcy protection or protection from creditors?
 Yes No

If "Yes" to any question, please attach a detailed explanation.

C. To the best knowledge of Applicant, within the past five (5) years, has the Buyer(s) or any of its/their subsidiaries or affiliates, or any of their respective officers, directors, or executive- or management-level employees been involved in:

1. Any civil or criminal antitrust, fair trade, intellectual property litigation, proceeding or investigation? Yes No
2. Any civil or criminal litigation, proceeding or investigation in connection with any violation or alleged violation of any securities law, rule or regulation?

_____ Yes _____ No

3. Any class action or shareholder derivative lawsuits?

_____ Yes _____ No

4. Any litigation, dispute, disagreement, settlement, release, proceeding or investigation in connection with a breach or an alleged breach of a contractual representation and/or warranty, or any discussions with an adverse or potentially adverse party regarding a breach or an alleged breach of such?

_____ Yes _____ No

5. Any investigation, audit, dispute, disagreement, proceeding, litigation, settlement, or release involving any governmental or regulatory authority?

_____ Yes _____ No

6. Any bankruptcy proceeding or sought bankruptcy protection or protection from creditors?

_____ Yes _____ No

If "Yes" to any question, please attach a detailed explanation.

D. As an attachment, please provide a description of:

1. All material acquisitions or divestitures of the Target Company or its subsidiaries or affiliates within the past five (5) years.
2. All corporate restructurings or material layoffs involving the Target Company or its subsidiaries or affiliates within the past five (5) years.
3. All securities offerings for debt and/or equity of the Target Company or its subsidiaries or affiliates within the past five (5) years.
4. If Target is privately held, any changes in ownership within past five (5) years.

V. Application Underwriting Materials

Please provide the following (as applicable):

A. Transaction Related

1. The signed (or most recent version of the) purchase-sale agreement, including appendixes, exhibits, schedules, and other attachments.
2. The most recent version of the disclosure schedules or disclosure letter to the purchase-sale agreement.
3. All proxy statements, information statements, offering memorandum or other informational materials prepared in connection with the transaction.

4. A copy of the executed Letter of Intent, Memorandum of Understanding, or Term Sheet completed in connection with the transaction.
- B. Target Company and Seller(s) Related
1. Copy of the latest interim financial statements.
 2. Copies of the last three (3) audited financial statements
 3. Copies of the last three (3) annual federal tax returns.
 4. Copies of any Offering Memorandum for the sale of securities within the last five (5) years.
 5. List of all subsidiaries and affiliates including: nature of operation, percentage of ownership, and whether such subsidiaries and affiliates are foreign or domestic, date acquired.
- C. Due Diligence Related
1. A copy of the Buyer's due diligence request list and all responses thereto.
 2. A copy of the Seller's data room index or other applicable due diligence document index
 3. All third-party reports, studies, or opinions prepared in connection with the due diligence investigation.
 4. For buyer-side policies only: Copies of all the Buyer's due diligence memoranda, whether compiled or drafted by the Buyer's in-house acquisition team or by the Buyer's outside representatives (i.e., attorneys, auditors/accountants, financial advisors, consultants, etc.).
- D. Other
1. We reserve the right to request additional materials and information.
 2. As part of our underwriting review, we usually hold a discussion with the Applicant regarding the transaction, the Target Company, and the proposed insurance coverage. An agenda of frequently covered topics includes, but is not limited to:
 - a. Business Overview of Buyer, Seller and Target Company. Operations, financial condition and performance, industry and company-specific developments, and recent M&A and divestiture activity.
 - b. Transaction Background. Justification for the transaction and the details pertaining to the transaction, its structure, and other pertinent matters. Review of the Purchase-Sale Agreement.
 - c. Due Diligence Process. Focus, process, limitations, availability of information, and key issues uncovered.
 - d. Insurance. Review of Applicant's insurance objectives.

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FOR ARKANSAS AND MINNESOTA APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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, WHICH IS A CRIME.

FOR 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 FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE 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.

FOR DISTRICT OF COLUMBIA, MAINE AND VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, OR A DENIAL OF INSURANCE BENEFITS.

FOR FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

FOR KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD AN 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.

FOR LOUISIANA AND NEW MEXICO 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 CIVIL FINES AND CRIMINAL PENALTIES.

FOR MARYLAND APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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 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.

FOR NEW YORK APPLICANTS: 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, INFORMATION CONCERNING 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 AND THE STATE VALUE OF THE CLAIM FOR SUCH VIOLATION.

FOR 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.

FOR OKLAHOMA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECVEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

FOR OREGON AND TEXAS APPLICANTS: ANY PERSON WHO MAKES AN INTENTIONAL MISSTATEMENT THAT IS MATERIAL TO THE RISK MAY BE FOUND GUILTY OF INSURANCE FRAUD BY A COURT OF LAW.

FOR PENNSYLVANIA APPLICANTS: 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, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

FOR TENNESSEE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

ALL WRITTEN STATEMENTS AND MATERIALS ATTACHED HERETO OR FURNISHED TO THE INSURER OR THE TRANSACTIONAL INSURANCE GROUP (OR THEIR RESPECTIVE REPRESENTATIVES) IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

THE UNDERSIGNED APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE AND CORRECT. FURTHERMORE, THE UNDERSIGNED APPLICANT AGREES THAT IF THE INFORMATION SUPPLIED IN THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE BINDING OF ANY INSURANCE COVERAGE, THEN THE UNDERSIGNED WILL IMMEDIATELY NOTIFY THE INSURER IN WRITING OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING OFFERS, QUOTATIONS AND/OR OTHER AUTHORIZATIONS OR AGREEMENTS TO BIND INSURANCE. SIGNING THIS APPLICATION DOES NOT BIND THE APPLICANT OR INSURER TO PURCHASE OR OFFER AN INSURANCE POLICY, BUT IT IS AGREED THAT APPLICATION SHALL BE THE BASIS OF THE INSURANCE POLICY SHOULD AN INSURANCE POLICY BE ISSUED. APPLICANT HEREBY AUTHORIZES INSURER OR THE TRANSACTIONAL INSURANCE GROUP (OR THEIR RESPECTIVE REPRESENTATIVES) TO MAKE ANY INVESTIGATION AND INQUIRY IN CONNECTION WITH THIS APPLICATION THAT IT DEEMS NECESSARY.

THE UNDERSIGNED ACKNOWLEDGES THAT THE INSURER WILL RELY ON THE TRUTH AND ACCURACY OF THE APPLICATION AND ALL MATERIALS AND INFORMATION PROVIDED BY THE APPLICANT OR ON BEHALF OF THE APPLICANT IN MAKING THE DECISION WHETHER OR NOT TO ISSUE INSURANCE TO THE APPLICANT AND ON WHAT TERMS AND CONDITIONS.

PLEASE REVIEW THIS ENTIRE APPLICATION (INCLUDING ADDITIONAL SHEETS OR ATTACHMENTS) CAREFULLY BEFORE SIGNING BELOW. IF A POLICY IS ISSUED, THIS SIGNED APPLICATION (INCLUDING ALL WRITTEN STATEMENTS AND MATERIALS ATTACHED HERETO OR FURNISHED TO THE INSURER OR THE TRANSACTIONAL INSURANCE GROUP (OR THEIR RESPECTIVE REPRESENTATIVES)) WILL BE ATTACHED TO AND BECOME AND BE MADE A PART OF ANY SUCH POLICY.

APPLICANT

By: _____

(name & title)

Date: _____

RLI R&W Application 2015 0715