

BEAZLEY

THIS IS A CLAIMS MADE AND REPORTED POLICY WITH DEFENSE COSTS INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

DECLARATIONS

COMBINED EMPLOYMENT PRACTICES, DIRECTORS' & OFFICERS' AND FIDUCIARY INSURANCE POLICY

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY THAT APPLIES, SUBJECT TO ITS TERMS, ONLY TO CLAIMS 1) FIRST MADE DURING THE POLICY PERIOD OR, IF PURCHASED, ANY EXTENDED REPORTING PERIOD; AND 2) REPORTED WITHIN THE TIME SPECIFIED IN THE NOTICE PROVISIONS. THESE DECLARATIONS, THE COMPLETED AND SIGNED APPLICATION, AND THE POLICY WITH ENDORSEMENTS SHALL CONSTITUTE THE CONTRACT BETWEEN THE UNDERWRITERS AND THE INSUREDS.

This insurance has been placed with certain UNDERWRITERS AT LLOYD'S, LONDON Percentage: 100%	
POLICY NUMBER: TBD Renewal of:	
Item 1.	INSURED COMPANY: Sample Address: 350 W. Sample Tpke Sample, NY 111743
Item 2.	POLICY PERIOD: (a) Inception Date: 3/1/2012 (b) Expiration Date: 3/1/2013 at 12:01 a.m., for both dates, at the principal address in Item 1.
Item 3.	PREMIUM: \$2,500

Item 4	LIMITS OF LIABILITY, SELF-INSURED RETENTIONS AND COVERAGES PURCHASED:		
The Limit of Liability and Self-Insured Retention amounts applicable to each Coverage purchased and the Aggregate Limit of Liability are as indicated below. This Policy includes only those Coverages purchased, as designated by a “Yes” for “Included”. If neither “Yes” or “No” is designated for a Coverage, such Coverage is not included.			
COVERAGE	COVERAGE INCLUDED (YES OR NO)	LIMIT OF LIABILITY	SELF-INSURED RETENTION
COVERAGE SECTION A, Employment Practices Liability:	Yes	\$1,000,000 Each Claim	\$5,000 Each Claim
Third-Party Discrimination Coverage:	Yes	\$1,000,000 Each Claim and All Claims in the Aggregate	
Punitive, Exemplary and Multiple Damages Coverage:		\$1,000,000 Each Claim and All Claims in the Aggregate	
4.A. All Claims in the Aggregate, COVERAGE SECTION A, including Third-Party Discrimination (where included) and Punitive, Exemplary and Multiple Damages:		\$1,000,000	
Defense-Only Limit:	No	\$ Nil Each Claim and All Claims in the Aggregate	
COVERAGE SECTION B, Directors and Officers Liability:	Yes	Each Claim	For Insuring Agreements I.B. and I.C.; \$ None For Insuring Agreement I.A.
Punitive, Exemplary and Multiple Damages Coverage:		Each Claim and All Claims in the Aggregate	
4.B. All Claims in the Aggregate, COVERAGE SECTION B, including Punitive, Exemplary and Multiple Damages:			
COVERAGE SECTION C, Fiduciary Liability:	Yes	Each Claim	Each Claim
Punitive, Exemplary and Multiple Damages Coverage:		Each Claim and All Claims in the Aggregate	
4.C. All Claims in the Aggregate, COVERAGE SECTION C, including Punitive, Exemplary and Multiple Damages:			

4.D. AGGREGATE LIMIT OF LIABILITY FOR ALL COVERAGES COMBINED:		\$1,000,000 All Claims and Covered Events for all Coverages Combined, for the Policy Period	
Item 5.	PRIOR AND PENDING DATE:		
	Employment Practices (EPL):	Directors & Officers (D&O):	Fiduciary Liability:
	TBD	TBD	TBD
Item 6.	SERVICE OF SUIT: Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, U.S.A		
Item 7.	AUTHORIZED REPRESENTATIVES: Eric Ross, Claims Manager, Beazley Group, 30 Batterson Park Road, Farmington, CT 06032 Facsimile: (860) 679-0247 Email: claims@beazley.com For help reporting a Claim, call the Helpline: (877) 376-4100		

Additional Clause(s) and Endorsement(s) applicable to this Policy and attached:

Application Dated: **3/10/2012**
 Endorsement Number 1
 Choice of Law Clause - 623AFB00113
 Nuclear Incident Exclusion Clause - Liability - Direct - Broad - NMA 1256
 Radioactive Contamination Exclusion - Liability - Direct - NMA 1477
 War and Terrorism Exclusion – NMA 2918
 US Terrorism Risk Insurance Act of 2002 as amended New and Renewal
 Business Endorsement – LMA 5091
 Employment Event Endorsement
 Privacy Violation Endorsement
 Wage & Hour Enhancement Endorsement
 Franchisor Endorsement
 Premium Payment Warranty – 623AFB00082

Dated: September 14, 2012

Authorised Signature

COMBINED EMPLOYMENT PRACTICES, DIRECTORS' & OFFICERS' AND FIDUCIARY INSURANCE POLICY

Various provisions in this **Policy** restrict coverage. Please read the entire **Policy** carefully to determine rights, duties, and what is and is not covered.

Throughout this **Policy** the words “you” and “your” refer to the **Insured Company** shown in the Declarations. The words “we,” “us,” and “our” refer to the Underwriters providing this insurance. The word “**Insured**” means any person or organization qualifying as such under the definition of **Insured** as defined in the General Terms and Conditions, below, and in each Coverage Section.

Other words and phrases that appear in **bold** have special meaning as described in the definitions found in the General Terms and Conditions, below, and in each Coverage Section.

In consideration of payment of the premium and in reliance upon the statements made in the **Application**, which is made a part of and deemed attached to this **Policy**, and subject to the Declarations and the limitations, conditions, provisions, and other terms of this **Policy**, the Underwriters and the **Insureds** agree as follows:

GENERAL TERMS AND CONDITIONS

I. SEVERABILITY OF GENERAL TERMS AND CONDITIONS

Except for these General Terms and Conditions, or unless stated to the contrary in any Coverage Section, the terms and conditions of each Coverage Section of this **Policy** apply only to that Coverage Section and shall not apply to any other Coverage Section of this **Policy**. If any provision in the General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Section, the terms and conditions of such Coverage Section shall control for purposes of that Coverage Section.

II. DEFENSE AND SETTLEMENT

We have the right and duty to defend any **Claim** covered by the **Policy** and such obligation is limited to amounts constituting **Defense Costs**.

Our duty to defend any **Claim** will end once the Limit of Liability, as stated in the Declarations, is exhausted by the payment of **Loss**, including **Defense Costs**. If our duty to defend ends with respect to any **Claim**, we will notify you so that you can arrange to take control of the defense of the **Insureds**. We will take whatever steps are necessary to avoid a default judgment during a transfer of control of the defense of any such **Claim**. If we do so, you agree to repay the reasonable expenses incurred by us during the transfer and further agree that, in undertaking the steps necessary to avoid a default judgment during the transfer, we have not waived any rights under the **Policy**.

We may, with your consent, settle any **Claim** for any monetary amount that we consider reasonable. If you do not give your consent to such settlement, then our liability for all **Loss**, including **Defense Costs**, on account of such **Claim**, will not exceed: 1. the amount for which we could have settled the **Claim** plus **Defense Costs** incurred as of the date we proposed such settlement; plus 2. eighty-five percent (85%) of covered **Loss** excess of the proposed settlement as long as fifteen percent (15%) is borne by the **Insured**

at its own risk and uninsured. This provision shall not apply unless the total **Loss**, including the proposed settlement, would exceed the applicable Self-Insured Retention.

The **Insureds** will not incur any **Defense Costs**, settle, or offer to settle any **Claim**, assume any contractual obligation, admit liability, voluntarily make any payment or confess or otherwise consent to any damages or judgments with respect to any **Claim** without our prior written consent, which will not be unreasonably withheld. We will not be liable for any **Defense Costs**, settlement, assumed obligation, admitted liability, voluntary payment, or confessed damages or judgments to which we have not consented.

The **Insureds** will provide full cooperation and all information and particulars that we may request to conduct an investigation, defend a **Claim**, or to reach a settlement of a **Claim**. The **Insureds** agree that in the event of a **Claim**, they will do nothing that may prejudice our position or rights of recovery.

III. DEFINITIONS

- A. **Application** means all applications, including attachments and submitted materials, for this **Policy** or for any policy of which this **Policy** is a direct renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this **Policy** in accordance with Section XI. of these General Terms and Conditions.
- B. **Defense Costs** means reasonable and necessary fees, costs, and expenses incurred by counsel, experts or investigators appointed or pre-approved by us in the investigation, defense and appeal of any **Claim**; but **Defense Costs** do not include any wages, salaries, fees, or expenses of any **Insured**. **Defense Costs** will include legal and investigation fees necessary to respond to potential claims, if incurred at our request and direction.
- C. **Employee** means any individual whose labor or service is engaged by and directed by the **Insured Company**, including volunteers and all staff members, whether part-time, full-time, seasonal, or temporary.
- Employee** does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character, except that as respects Coverage Section A only, **Leased Employees** and independent contractors will also be considered **Employees**.
- D. **ERISA** shall mean the Employee Retirement Income Security Act of 1974, as amended.
- E. **Financial Impairment** means the status of the **Insured Company** resulting from the appointment by any state or federal official, agency or court of any receiver, trustee, examiner, conservator, liquidator, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Insured Company**.
- F. **Insured Company** means the organization(s) listed in Item 1. of the Declarations, whether as a corporation, partnership, joint venture, association, or otherwise, and any **Insured Subsidiary**.
- G. **Insured Fiduciary**, either in the singular or plural, shall mean:
- (1) one or more natural persons who were, now are or shall hereafter be a director, officer, partner, trustee or employee of the **Sponsor Company** or of any **Insured Plan**; or

- (2) any other natural persons who were, now are or shall hereafter be a fiduciary of an **Insured Plan**, provided further that such fiduciary is sued solely in his or her capacity as a fiduciary of an **Insured Plan**.

Insured Fiduciary does not mean any agent, broker, independent contractor, broker/dealer, registered representative, investment advisor, custodian or other person or entity of the same general character.

H. **Insured Plan**, either in the singular or plural, shall mean:

- (1) any government-mandated insurance program for unemployment, social security or disability benefits for employees of the **Sponsor Company**, except for workers' compensation;
- (2) any welfare benefit plan as defined in **ERISA** or any similar common or statutory law of the United States or other jurisdiction anywhere in the world, which is sponsored solely by the **Sponsor Company** or jointly by the **Sponsor Company** and a labor organization solely for the benefit of the employees of the **Sponsor Company** located anywhere in the world and which existed on the inception date of this **Policy**; and
- (3) any non-qualified plan not subject to regulation under Title I of **ERISA** or which does not meet the qualification requirements under Section 401(a) of the Internal Revenue Code of 1986, as amended, but only for a **Fiduciary Wrongful Act** as defined herein;

provided however, **Insured Plan** shall not include any multi-employer plan or any employee stock ownership plan, as defined in **ERISA**.

I. **Insured Subsidiary** means any organization in which more than 50% of the outstanding voting securities representing the present right to vote for election of directors is owned, directly or indirectly, by the **Insured Company**.

J. **Interrelated Claims** means all **Claims** based upon or arising from **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions, or causes. **Claims** may be **Interrelated Claims** whether or not they involve the same cause, claimants, **Insured**, or legal theory.

All **Interrelated Claims** shall be deemed one **Claim**, and such **Claim** shall be deemed to have been first made on the date the earliest of such **Claims** was first made, regardless of whether such date was before or during the **Policy Period**.

K. **Leased Employee** means any **Employee** who is leased to you to perform work at and for the **Insured Company** and over whom you control the means and manner of their work.

L. **Loss**, with respect to each Coverage Section except Coverage Section D, shall include **Defense Costs**, and shall have the meaning set forth in that Coverage Section; provided, however, with respect to all such Coverage Sections, **Loss** shall also include punitive, multiple, and exemplary damages, to the extent insurable under the law of any applicable jurisdiction most favorable to insurability.

M. **Policy** means, collectively, the Declarations, the **Application**, this **Policy** form, and any endorsements.

- N. **Policy Period** means the period of time specified in Item 2. of the Declarations, subject to any prior cancellation described in Section XXVI. of these General Terms and Conditions.
- O. **Sponsor Company** shall mean the entity named in Item 1 of the Declarations and any **Insured Subsidiary**.
- P. **Wrongful Act(s)** means, for purposes of these General Terms and Conditions, **Wrongful Employment Practices** and **Third-Party Discrimination** as defined in the Employment Practices Coverage Section, **Wrongful Acts** as defined in the Directors and Officers Liability Coverage Section and **Fiduciary Wrongful Acts** as defined in the Fiduciary Liability Coverage Section, but only where each such Coverage Section is purchased and included.

IV. LIMITS OF LIABILITY

- A. The separate amounts set forth in Items 4.A., 4.B. and 4.C. of the Declarations shall be separate Limits of Liability for Coverage Sections A., B. and C. (where included) and shall be our maximum aggregate Limit of Liability for all **Loss** and **Defense Costs** combined on account of all **Claims** first made during the **Policy Period** with respect to each such Coverage Section.
- B. The scheduled Limit of Liability for Coverage Sections A., B. and C. are subject to the Aggregate Limit of Liability as specified in Item 4.D. of the Declarations. As such, each Coverage Section's Limit of Liability is a sublimit which further limits and does not increase our maximum liability for all such Coverage Sections. If no Aggregate Limit of Liability is specified in Item 4.D. of the Declarations, the Scheduled Limits of Liability set forth for each such Coverage Section are not subject to an Aggregate Limit of Liability, combined, for all such Coverage Sections.
- Payments of **Loss** by us under Coverage Sections A., B. and C., including **Defense Costs**, shall reduce the Limit of Liability. If the Limit of Liability for any Coverage Section is exhausted by payment of **Loss**, including **Defense Costs**, our obligations under such Coverage Section shall be deemed completely fulfilled and extinguished.
- C. **Defense Costs** under Coverage Sections A., B. and C. shall be part of, and not in addition to, each of the Limits of Liability set forth in the Declarations, and **Defense Costs** shall reduce each such Limit of Liability.
- D. The Limits of Liability for the Extended Reporting Period, if exercised, shall be part of and not in addition to each of the Limits of Liability for the **Policy Period**. The purchase of the Extended Reporting Period shall not increase or reinstate the Limits of Liability set forth in the Declarations, which shall be our maximum liability for all **Loss** and **Defense Costs** on account of all **Claims** first made during such **Policy Period** and Extended Reporting Period, combined.

V. SELF-INSURED RETENTION

- A. Our liability under Coverage Sections A., B. and C. with respect to **Loss**, including **Defense Costs**, arising from any single **Claim** shall apply only to that part of such **Loss**, including **Defense Costs**, in excess of the applicable Self-Insured Retention set forth in the Declarations for such Coverage Section. If **Loss** on account of a single **Claim** is subject to different Self-Insured Retentions under different Coverage Sections, the total

applicable Self-Insured Retentions shall not exceed the single largest applicable Self-Insured Retention. The Self-Insured Retention amount shall be your uninsured responsibility and shall apply to **Defense Costs** as well as other **Loss**. We shall have no responsibility to make any payment unless the Self-Insured Retention has been exhausted or unless the Insured Company is unable to meet its uninsured responsibility of account of **Financial Impairment**.

- B. The Self-Insured Retention amount applies to each **Claim** or **Interrelated Claims**, regardless of the number of claimants.
- C. Solely in respect of Coverage Section A, if, prior to the termination of any **Employee**, the **Insured** obtains and adopts the written advice of legal counsel recommended or approved by us as respects such termination, then the applicable Self-Insured Retention for that Coverage Section shall be reduced by fifty percent (50%) for any **Claim** commenced by that **Employee** arising from the events of the termination.
- D. Solely in respect of Coverage Section A, if the **Insured Company** consents to a settlement of a **Claim** within twenty (20) days of the first request by Underwriters to consent and the settlement is accepted by the claimant, then the applicable Self-Insured Retention for that Coverage Section shall be retroactively reduced by ten percent (10%). Any consent to the same or another settlement after such time shall not reduce the Self-Insured Retention.
- E. Solely in respects of Coverage Sections A and B, in the event of: (1) a determination of No Liability of all **Insureds**; or (2) a dismissal or a stipulation to dismiss a **Claim** without prejudice and without payment by any **Insured**, then the applicable Self-Insured Retention for that Coverage Section shall be retroactively reduced by an amount up to twenty-five percent (25%) or \$100,000, whichever is less; provided, however, that in the case of (2), any amounts to be returned shall be returned ninety (90) days after the date of dismissal or stipulation as long as the **Claim** is not reinstated (or any other **Claim** which is subject to the same single Self-Insured Retention) within that time, and further subject to an undertaking by the **Insured Company** in a form acceptable to Underwriters that such amounts shall be paid back to Underwriters in the event the **Claim** (or any other **Claim** which is subject to the same single Self-Insured Retention) is brought after such 90-day period and before the expiration of the statute of limitations for such **Claim**.

“No Liability” for purposes of this provision means: (1) a final judgment of no liability obtained prior to trial, in favor of all **Insureds**, by reasons of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals; or (2) a final judgment of no liability obtained after trial in favor of all **Insureds**, after the exhaustion of all appeals. In no event shall the term “No Liability” apply to a **Claim** made against an **Insured** for which a settlement has occurred.

VI. SPOUSAL AND DOMESTIC PARTNER EXTENSION

If a **Claim** against an **Insured** includes a claim against the lawful spouse or domestic partner of such **Insured** solely by reason of (a) such spouse’s or domestic partner’s legal status, or (b) such spouse’s or domestic partner’s ownership interest in property or assets that are sought as recovery for the **Wrongful Acts** of such **Insured**, all loss that such spouse or domestic partner shall become legally obligated to pay by reason of such claim shall be treated, for purposes of this **Policy**, as **Loss** that such **Insured** is legally obligated to pay on account of the **Claim** made against such **Insured**. The extension of coverage afforded by this Section VI. shall not apply to the extent the **Claim** alleges any act, error or omission by such spouse or domestic partner. All terms and conditions of this **Policy**, including the Self-Insured Retention, will be applicable to such **Claim**.

VII. EXCLUSIONS

The following exclusions are applicable to Coverage Sections A., B. and C. Other exclusions are reflected in each Coverage Section.

We are not obligated to defend or pay **Loss**, including **Defense Costs**, on account of any **Claim**.

- A. based upon, arising out of, or attributable to any **Wrongful Act**, fact, circumstance, or situation:
 - (i) that was the subject of written notice given under any similar prior policy of which this **Policy** is a renewal or replacement;
 - (ii) that was the subject of any written demand, investigation, proceeding, arbitration or litigation against any **Insured**, whether administrative, regulatory, civil or criminal, as of the applicable Prior and Pending Date identified in Item 5. of the Declarations, or in respect of Employment Practices Liability (EPL) prior to the effective date of the first Employment Practices Liability Insurance policy issued by us or any other Employment Practices Liability Insurance insurer to the Insured and continuously renewed or maintained in effect to the inception date of this Policy; including but not limited to the same or substantially the same facts, circumstances, or situations underlying or alleged in the prior or pending matter; or
 - (iii) that was identified in any summary or statement of claims or potential claims or circumstances identified in connection with the **Application**.
- B. for, based upon, arising from, or in any way related to:
 - (i) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or
 - (ii) any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste.

Pollutants include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, or toxin including but not limited to smoke, vapor, soot, fumes, dust, fibers, mold, spores, fungi, germs, acids, alkalis, chemicals, odors, noise, lead, lead compounds, silica, oil or oil products, radiation, radon, asbestos or asbestos-containing products or any like substances, and waste, and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.

Provided, however, this Exclusion shall not apply to Coverage Section B. in respect of any **Claim** brought by a shareholder of the **Insured Company** in its capacity as such.

VIII. NOTICE PROVISIONS

The following provisions are applicable to Coverage Sections A., B. and C

- A. The **Insureds** shall, as a condition precedent to their rights under this **Policy**, give our Authorized Representatives, as identified in Item 7. of the Declarations, written notice of

any **Claim** made against the **Insureds** as soon as practicable after any **Insured** becomes aware that the **Claim** has been made, but in no event later than sixty (60) days after the expiry of the Policy. Along with the notice of the **Claim**, the **Insureds** shall provide our Authorized Representatives with copies of all documentation comprising the **Claim** as well as all authorization, cooperation, or assistance as we may require throughout the duration of the **Claim**.

Under no circumstances shall we be obligated to pay any **Defense Costs** incurred prior to **Claim** notification.

B. If, during the **Policy Period**, or the Extended Reporting Period if purchased, any **Insured** first becomes aware of a specific **Wrongful Act**, and if during the Policy Period, or the Extended Reporting Period if purchased, the **Insureds** give written notice to us, as soon as practicable, of:

(1) the specific **Wrongful Act**;

(2) the consequences which have resulted or may result therefrom; and

(3) the circumstances by which the **Insureds** first became aware thereof,

then any **Claim** made subsequently and arising out of such **Wrongful Act** shall be deemed for the purposes of this **Policy** to have been made at the time such notice was first given.

C. Notice to us, as required by this Section VIII., shall be given to our Authorized Representatives, as identified in Item 7. of the Declarations, and shall be a condition precedent to coverage under this **Policy**.

IX. OTHER INSURANCE

Unless expressly written to be excess over other valid and collectible insurance, and except for **Claims** against **Leased Employees** and **Claims** for **Third-Party Discrimination** (where and if included), and this **Policy** is intended to apply as primary insurance for **Wrongful Acts** covered by this **Policy**. With respect to **Claims** against **Leased Employees** and **Claims** for **Third-Party Discrimination**, this **Policy** applies excess of all indemnification and insurance available to any **Insured**. Nothing in this provision, however, shall prevent us or the **Insureds** from seeking contribution or coverage from any other insurer or indemnitor.

X. CHANGES IN EXPOSURE

A. If during the **Policy Period** the **Insured Company** acquires securities in another entity or creates another entity, which as a result becomes an **Insured Subsidiary**, or if the **Insured Company** acquires another entity by merger or consolidation, coverage under Coverage Sections A., B. and C. only will automatically be available provided that (a) the fair value of such acquired or created entity, including all cash, securities, assumed liabilities and other consideration, does not exceed 50% of the total consolidated assets of the **Insured Company** as of the inception of the **Policy Period**; and (b) provided further, that the total number of your **Employees** does not increase by more than 50% as a result of such acquired or created entity and (c) provided further, that with respect to Coverage Section C., the plan assets of any created or acquired **Insured Plan(s)** in the aggregate do not exceed 50% of the total plan assets of the **Insured Plan(s)** as of the inception date of the **Policy Period**.

- B. If during the **Policy Period** the **Insured Company** or any **Insured Subsidiary** is acquired, or control assumed by another entity, coverage under this **Policy** will continue but only with respect to **Wrongful Acts** taking place prior to the effective date of the acquisition or change of control. The **Policy** may not be cancelled after the effective date of the acquisition or change of control and the premium will be deemed fully earned on such date.
- C. If the **Insured Company** acquires or creates another entity with a value of greater than 50% of the **Insured Company's** value as described in Section X.A., above, or if the total number of your **Employees** is increased by more than 50%, or if the plan assets of any newly created or acquired Insured Plan exceed the value stated above, coverage will not be available to such entity or merged operations unless and until we are notified of the circumstances as soon as practicable, but in any event within ninety (90) days. We will be entitled to impose such amended terms and conditions and adjust the premium as we may require.
- D. With respect to Coverage Section C., if during the **Policy Period** the **Sponsor Company** terminates any **Insured Plan**, coverage under this **Policy** shall apply solely with respect to **Fiduciary Wrongful Acts** that occurred prior to the date of asset distribution on condition that the **Sponsor Company** gives us notice of such termination as soon as practicable, but in any event within ninety (90) days.

XI. REPRESENTATIONS AND SEVERABILITY

In issuing this **Policy**, we relied upon the information, particulars, representations and statements contained in, attached to or referred to in the Application. The **Insureds** represent that all such information, particulars, representations and statements are both true and deemed material to the acceptance of the risk or the hazard assumed by us under this **Policy**.

The **Insureds** agree that in the event any such information, particulars, representations and statements are untrue, the **Policy** will not afford coverage with respect to any of the following **Insureds**: (1) any **Insured** who knew the facts that were not truthfully disclosed in the **Application**; provided that, solely with respect to the coverage afforded under Coverage Section B.I.A., we shall not be entitled to rescind the **Policy**; and (2) the **Insured Company**, if the individual(s) who executed the **Application** knew the facts that were not truthfully disclosed.

For purposes of this provision, no knowledge possessed by an **Insured** shall be imputed to any other **Insured**.

XII. ALLOCATION

If both **Loss** covered under this **Policy** and loss not covered under this **Policy** are jointly incurred either because a **Claim** includes both covered and non-covered matters or because a **Claim** is made against both covered and uncovered parties, then such covered **Loss** and non-covered loss shall be allocated as follows:

- A. one hundred percent (100%) of **Defense Costs** shall be allocated to covered **Loss**;
- B. Settlements, judgments, verdicts and awards shall be allocated between covered **Loss** and non-covered loss based upon the relative legal and financial exposures of, and the relative benefits obtained in connection with the resolution of the **Claim** as between the **Insureds'** or non-Insureds' exposure to non-covered loss, and the **Insureds'** exposure to covered **Loss**. In making such allocation determination, you and we agree to use our best efforts to

determine a fair and proper allocation. In the event that an allocation cannot be agreed to, then we shall make an interim payment of the amount of **Loss** that the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of applicable law.

Notwithstanding the foregoing, you and we shall use our best efforts to fairly and reasonably allocate all covered **Defense Costs** and non-covered defense costs associated with the defense of **Claims** brought by or on behalf of more than one claimant alleging violations of any federal, state or local wage and hour laws or regulations. In the event that an allocation cannot be agreed to, then we shall make an interim payment of the amount of **Defense Costs** that the parties agree is not in dispute until a final amount is agreed upon or determined by applicable law.

XIII. COORDINATION AMONG COVERAGE SECTIONS

In the event that any **Claim** is a subject of coverage under more than a single Coverage Section, the terms, conditions, definitions and exclusions of each Coverage Section shall be applied separately to that part of the **Claim** covered by each such Coverage Section. The **Insured Company** and Underwriters shall use their best efforts to reach agreement on the question of whether more than a single Coverage Section applies to any **Claim**. In the event that more than a single Coverage Section is applicable, the single largest applicable Limit of Liability, and its corresponding Self-Insured Retention, shall be applied to the **Claim**. If the largest applicable Limit of Liability is equal to the Limit of Liability of another Coverage Section that also applies, then the largest applicable Self-Insured Retention shall be applied to the **Claim**. Under no circumstances will more than one Limit of Liability be available to any **Claim** or **Interrelated Claims**.

XIV. BANKRUPTCY

The bankruptcy or insolvency of the **Insured Company** or any **Insured Subsidiary** shall not relieve us of any obligations hereunder.

XV. ORDER OF PAYMENTS

It is agreed that we will use best efforts to pay all **Loss** under this **Policy** in the following order of priority:

First, we will pay all **Loss** for which coverage is provided under Coverage Sections B.I.A. and B.I.B.; and

Second, with respect to whatever remaining amount of the Limit of Liability may be available after payment of **Loss** under Coverage Section B.I.A. and B.I.B., we will pay all **Loss** for which coverage is provided under Coverage Sections A., B.I.C. and C.;

Provided always that should there be any dispute concerning priority of payment as between Coverage Sections B.I.A. and B.I.B., we and the **Insured Company** will use best efforts to agree upon priority, and failing agreement, will submit any such dispute to binding arbitration pursuant to Section XXI. of the General Terms and Conditions of this **Policy**.

XVI. AUTHORIZATION CLAUSE

By acceptance of this **Policy**, you agree to act on behalf of the **Insureds** with respect to the giving and receiving of notice of **Claim** or cancellation, the payment of premiums, and the receiving of any return premiums that may become due under this **Policy**, the agreement to and acceptance of endorsements and the giving or receiving of any notice provided for in this **Policy** (except the giving of notice to apply for the Extended Reporting Period), and the **Insureds** agree that you will act on their behalf.

XVII. SUBROGATION

In the event of any payment under this **Policy**, we will be subrogated to the extent of such payment to all of your and any **Insured's** rights of recovery. You and the **Insureds** will execute all required papers and do everything necessary to secure and preserve such rights.

XVIII. ALTERATION AND ASSIGNMENT

This **Policy** cannot be changed, modified, or assigned without our written, signed endorsement.

XIX. TERRITORY

Coverage under Coverage Sections A., B. and C. of this **Policy** will extend to **Wrongful Acts** taking place and **Claims** made anywhere in the world.

XX. ACTION AGAINST UNDERWRITERS

No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all terms and conditions of this **Policy**. No person or organization shall have any right under this **Policy** to join us as a party to any action against any **Insured** to determine the liability of such **Insured**, nor shall we be impleaded by any **Insured** or their legal representative.

XXI. ARBITRATION

Underwriters and the **Insureds** agree that any dispute, controversy, or claim arising out of or relating to this **Policy** or its breach, termination, or invalidity, will be submitted either: (a) to final and binding arbitration; or (b) to non-binding mediation, whichever the **Insured** shall select, pursuant to such rules and procedures as the parties may agree. If the parties cannot agree, the arbitration or mediation shall be administered by the American Arbitration Association in accordance with its then prevailing commercial arbitration/mediation rules and such arbitration or mediation shall take place in New York, New York. In the event of arbitration, the panel shall consist of one arbitrator selected by you, one arbitrator selected by us, and a third independent arbitrator selected by the first two arbitrators. In any arbitration or mediation, each party will bear its own legal fees and expenses.

XXII. SERVICE OF SUIT

In the event any non-binding mediation selected by the **Insured** in accordance with the preceding paragraph does not resolve disputes arising out of or related to this **Policy**, we agree, at the request of any **Insured**, to submit to the jurisdiction of a court of competent jurisdiction within the United States and we will comply with all requirements necessary to give such court jurisdiction. Nothing in this paragraph constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon the firm shown under Item 1. of the Declarations, and that in such suit instituted against any of the Underwriters of this **Policy**, Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

The firm shown under Item 6. of the Declarations is authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of any **Insured** to give a written

undertaking to such **Insured** that they will enter general appearance upon Underwriters' behalf in the event such a suit is instituted.

Further, pursuant to the statute of any state, territory, or district of the United States which makes provision for such, Underwriters designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor or successors in office, as their true and lawful attorney, upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of any **Insured** or any beneficiary of this **Policy**, and designate the firm shown under Item 1. of the Declarations as the firm to whom said officer is authorized to mail such process.

XXIII. ESTATES AND LEGAL REPRESENTATIVES

Whenever the term **Insured**, as used in this **Policy**, refers to a natural person, such term shall include the estates and legal representatives of such natural person **Insured**. Neither death, bankruptcy, incapacity nor insolvency of any natural person **Insured**, will relieve us of any obligations under the **Policy**.

XXIV. EXTENDED REPORTING PERIOD

In the event of non-renewal or cancellation of this **Policy**, you shall have the right, upon payment of an additional premium of 100% of the premium charged for the non-renewed or cancelled **Policy**, to an extension of the coverage available under this **Policy** in respect of Coverage Sections A., B. and C. for a period of twelve (12) months following the effective date of such non-renewal or cancellation but only with respect to **Claims** otherwise covered by this **Policy** and only for **Wrongful Acts** taking place prior to the effective date of such non-renewal or cancellation.

A written request for the Extended Reporting Period must be received by us within thirty (30) days from the effective date of the non-renewal or cancellation. The premium due for the Extended Reporting Period must be received by us within forty-five (45) days of such effective date. The entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

XXV. NON-RENEWAL

If we decide not to renew this **Policy**, we will mail or deliver to the **Insured Company** written notice of non-renewal not less than sixty (60) days before the expiration date. If the notice is mailed, proof of mailing will be sufficient notice of non-renewal.

XXVI. CANCELLATION

You may cancel this **Policy** by mailing written notice to us stating when thereafter such cancellation shall be effective. We may cancel this **Policy** only for non-payment of premium, by mailing written notice to you at the address shown in the Declarations, stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice. Delivery of such written notice shall be equivalent to mailing. The effective date and hour of cancellation as stated in the notice shall become the end of the **Policy Period**.

If you cancel, earned premium shall be computed in accordance with the standard short rate table, but in no event will earned premium be less than twenty-five percent (25%) of the total premium indicated in the Declarations. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

XXVII. LIBERALIZATION

In the event the identical unendorsed policy form is amended by us subsequent to the inception date of this **Policy** such that the coverage under such identical unendorsed policy form is broader as a result of the amendments, this **Policy** shall be construed to include the broadened coverage.

SAMPLE

COVERAGE SECTION A

EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

I. INSURING AGREEMENT

We will pay all **Loss** that an **Insured** becomes legally obligated to pay as a result of **Claims** first made against such **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, and reported in accordance with the notice provisions of Section VIII. of the General Terms and Conditions, for a **Wrongful Employment Practice** or **Third Party Discrimination** (where and if coverage for **Third Party Discrimination** is included, as reflected on Item 4. of the Declarations).

II. DEFINITIONS

The following terms, whenever used in this Coverage Section, shall have the meanings indicated below. Other terms shall have the meanings found in the General Terms and Conditions of the **Policy**.

A. **Claim** means:

- (1) a written demand for monetary damages or non-monetary relief, or written notice of an intention to hold an **Insured** responsible, for a **Wrongful Employment Practice** or **Third-Party Discrimination** (where and if included);
- (2) a charge, complaint or other notice of commencement of federal, state, or local administrative proceedings by or before any agency with authority over the **Insured Company's** employment practices;
- (3) the filing of a civil lawsuit or arbitration proceeding; or
- (4) the filing of a criminal lawsuit or the institution of criminal proceedings; provided, however, that the decision to consider such lawsuit or proceedings a **Claim** shall be in the sole discretion of Underwriters and must be agreed to by the **Insured Company**.

A **Claim** is deemed first made when it is received by an **Insured**.

B. **Insured** means the **Insured Company** and individuals who are your former, current or future principals, partners, officers, directors, trustees, shareholders, members of the Board of Management, management committee members, in-house general counsel and those **Employees** for whom you request coverage at the time of **Claim**, acting in their capacities as such. If, at any time during the **Claim**, you no longer want us to provide coverage for any such **Employee(s)**, you shall send us written notice requesting that coverage for the **Employee(s)** be withdrawn. Coverage for the **Employee** shall cease as of the date we receive such notice.

C. **Loss** means damages, judgments, settlements, verdicts, and awards, including compensatory damages, back pay, front pay, statutory attorneys' fees, pre-judgment and post-judgment interest, statutory liquidated damages and **Defense Costs** in excess of the applicable Self-Insured Retention.

Loss does not include: (1) fines, penalties, or taxes; (2) any amount for which the **Insured** is absolved from payment; (3) stock options or amounts reflecting the value of stock options; (4) amounts owed under employment contracts, partnership, stock, or other

ownership agreements, or any other type of contract; (5) severance pay, (6) disability, social security, workers' compensation, medical, insurance, retirement or pension benefits, or settlement amounts representing benefits payments; (7) the cost to modify any premises or provide any accommodation to any disabled person; (8) the cost of instituting or conducting any program, procedure, or training; (9) the cost of reinstating or reinstating employment, or providing any non-monetary relief; or (10) any relief, whether pecuniary or injunctive, imposed or agreed to in connection with criminal lawsuits or proceedings.

D. **Third-Party Discrimination** means any actual or alleged discrimination, including harassment, or civil rights violation by an **Insured** against any non-**Employee**.

E. **Wrongful Employment Practice** means any actual or alleged:

- (1) violation of any federal, state, local or common law, prohibiting any kind of employment-related discrimination;
- (2) harassment, including any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment and including workplace harassment by non-employees;
- (3) abusive or hostile work environment;
- (4) wrongful discharge or termination of employment, whether actual or constructive;
- (5) breach of an implied employment contract;
- (6) wrongful failure or refusal to hire or promote, or wrongful demotion;
- (7) wrongful failure or refusal to provide equal treatment or opportunities;
- (8) employment terminations, disciplinary actions, demotions or other employment decisions that violate public policy or the Family Medical Leave Act or similar state or local law;
- (9) defamation, libel, slander, disparagement, false imprisonment, misrepresentation, malicious prosecution, or invasion of privacy;
- (10) wrongful failure or refusal to adopt or enforce adequate workplace or employment practices, policies or procedures;
- (11) wrongful, excessive or unfair discipline;
- (12) wrongful infliction of emotional distress, mental anguish, or humiliation;
- (13) retaliation, including retaliation for exercising protected rights, supporting in any way another's exercise of protected rights, or threatening or actually reporting wrongful activity of an **Insured** such as violation of any federal, state, or local "whistle blower" law,
- (14) wrongful deprivation of career opportunity, negligent evaluation or failure to grant tenure;

- (15) violations of the Uniformed Services Employment and Reemployment Rights Act;
- (16) negligent hiring or negligent supervision of others, including wrongful failure to provide adequate training, in connection with (1) through (15) above,

but only if employment-related and claimed by or on behalf of an **Employee**, former **Employee**, or applicant for employment, and only if committed or allegedly committed by any of the **Insureds** in their capacity as such.

III. EXCLUSIONS

We are not obligated to defend or pay **Loss**, including **Defense Costs**, on account of any **Claim**:

- A. for an actual or alleged violation of the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, **ERISA**, any workers' compensation, unemployment insurance, social security, or disability benefits law, other similar provisions of any federal, state, or local statutory or common law, including any actual or alleged violations of any federal, state or local wage and hour laws or regulations, whether or not such allegations are made in connection with any governmental or administrative proceedings *provided, however*, that: 1) this exclusion will not apply to any **Claim** of any actual or alleged retaliatory treatment on account of the exercise of rights pursuant to any such law; and 2) in the event a **Claim** brought by or on behalf of more than one claimant also alleges unrelated **Wrongful Employment Practices** otherwise covered by this **Policy**, notwithstanding the provisions of Section II of the General Terms and Conditions of this **Policy**, **Defense and Settlement**, we agree to pay **Defense Costs** or **Loss**, but solely for that portion of the **Claim** involving such unrelated **Wrongful Employment Practices** and subject to all other terms, conditions and exclusions contained in this **Policy**;
- B. arising out of, based upon, or attributable to, the adjudicated criminal or fraudulent act on the part of any **Insured** provided, however, that the criminal or fraudulent act of one **Insured** shall not be imputed to any other **Insured** for purposes of this exclusion;
- C. based upon, arising out of, or attributable to, liability of others assumed by any **Insured** under any contract or agreement, except to the extent any **Insured** would have been liable in the absence of the contract or agreement;
- D. based upon any wrongful act or omission of any **Insured** serving in any capacity other than as your principal, officer, director, trustee, or **Employee**; or
- E. by a non-**Employee** for bodily injury including assault and battery.

IV. LIMIT OF LIABILITY AND SELF-INSURED RETENTION

- A. Notwithstanding the provisions of Section IV. of the General Terms and Conditions, an additional Limit of Liability for Coverage Section A., if purchased and indicated in Item 4. of the Declarations, shall apply for coverage of **Defense Costs** only (referred to as the "Defense-Only Limit"). This Defense-Only Limit shall apply to **Defense Costs** in the first instance, leaving the original Limits of Liability as indicated for all other coverages set forth under Item 4., Coverage Section A., of the Declarations to apply second to: (1) **Defense Costs** incurred in excess of, and after exhaustion of, the Defense-Only Limit

and/or (2) any other **Loss**, such as damages, judgments, settlements, verdicts, and awards, until the original Limit of Liability is exhausted.

In no event shall the Defense-Only Limit apply to **Loss** other than **Defense Costs**, and in no event shall we be obligated to pay more than the original Limits of Liability indicated for all other coverages listed under Item 4., Coverage Section A., of the Declarations toward **Loss**.

In no event shall our obligations under the **Policy** exceed the combination of the Aggregate Limit of Liability for All Coverage Sections Combined in Item 4.E. of the Declarations plus the Defense-Only Limit indicated in Item 4., Coverage Section A., of the Declarations. If a Defense-Only Limit is purchased, all references to a Limit of Liability for Coverage Section A. of Item 4. shall refer to the combination of the original Limit of Liability and the Defense-Only Limit, subject to all other limitations and conditions of coverage.

Purchase of the Defense-Only Limit shall not alter your Self-Insured Retention obligations.

- B. If, prior to the termination of any **Employee**, the **Insured** obtains and adopts the written advice of legal counsel recommended or approved by us as respects such termination, then the Self-Insured Retention amount stated in Item 4., Section A., of the Declarations for Coverage Section A shall be reduced by 25% for any **Claim** commenced by that **Employee** arising from the events of the termination.

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COVERAGE SECTION B

DIRECTORS' & OFFICERS' LIABILITY COVERAGE SECTION

I. INSURING AGREEMENTS

A. Directors' and Officers' Liability Coverage

We will pay all **Loss** that an **Insured** becomes legally obligated to pay as a result of **Claims** first made against such **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, and reported in accordance with the notice provisions of Section VIII. of the General Terms and Conditions, for **Wrongful Acts**, except for **Loss** for which the **Insured Company** is permitted or required to indemnify such **Insured**.

B. Insured Company Reimbursement Coverage

We will pay all **Loss** for which the **Insured Company** is permitted or required to indemnify **Insured Persons** as a result of **Claims** first made against the **Insured Persons** during the **Policy Period**, or the Extended Reporting Period if applicable, and reported in accordance with the notice provisions of Section VIII. of the General Terms and Conditions, for **Wrongful Acts**.

C. Insured Company Liability Coverage

We will pay all **Loss** resulting from **Claims** first made against the **Insured Company** during the **Policy Period**, or the Extended Reporting Period if applicable, and reported in accordance with the notice provisions of Section VIII. of the General Terms and Conditions, for **Wrongful Acts**.

II. DEFINITIONS

The following terms, whenever used in this Coverage Section, shall have the meanings indicated below. Other terms shall have the meanings found in the General Terms and Conditions of the **Policy**.

A. **Claim** means:

- (1) a written demand for monetary damages, non-monetary or injunctive relief;
- (2) a civil, criminal, administrative or regulatory proceeding commenced against any **Insureds** in which they may be subjected to binding adjudication of liability for damages or other relief, including any appeal therefrom;
- (3) as respects **Insured Persons** only, a civil, criminal, administrative, or regulatory investigation commenced by the service upon or other receipt by an **Insured Person** of a written notice from an investigating authority specifically identifying such **Insured Person** as a target individual against whom formal charges may be commenced; or
- (4) any official request for **Extradition** of any **Insured Person** or the execution of a warrant for the arrest of any **Insured Person** where such execution is an element of **Extradition**.

A **Claim** is deemed first made when it is received by an **Insured**.

- B. **Defense Costs** means, for purposes of this Coverage Section B. only, and in addition to the meaning set forth in III.B. of the General Terms and Conditions, those reasonable and necessary fees, costs, and expenses incurred through legal counsel and consented to by us resulting from an **Insured Person** lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**, including but not limited to appealing any order or other grant of **Extradition** of such **Insured Person**.
- C. **Extradition** means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.
- D. **Insured** shall mean **Insured Persons** and, with respect to Insuring Agreement C., the **Insured Company**.
- E. **Insured Persons**, either in the singular or plural, means any one or more persons who were, now are or shall be duly elected directors or duly elected or appointed officers of the **Insured Company**, or, with respect to an **Insured Subsidiary** incorporated outside the United States, their functional equivalent. **Insured Persons** also will include **Employees** of the **Insured Company**.
- F. **Loss** means the total amount which the **Insured Persons** or, with respect to Insuring Agreement C., the **Insured Company** are legally obligated to pay on account of any **Claim** made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments and settlements negotiated with our consent. **Loss** shall also include **Defense Costs** in excess of the applicable Self-Insured Retention.
- Loss** does not include: (1) any amount not indemnified by the **Insured Company** for which the **Insureds** are absolved from payment by reason of any covenant, agreement or court order; (2) any amount incurred by the **Insured Company** (including its board of directors or any committee of the board of directors) in connection with its investigation or evaluation of any **Claim** or potential **Claim** by or on behalf of the **Insured Company**; (3) taxes, fines or penalties imposed by law; and (4) matters uninsurable under the law pursuant to which this **Policy** is construed.
- G. **Wrongful Act(s)** means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted before or during the **Policy Period**:
- (1) by any of the **Insured Persons** acting in their capacity as such, including any matter claimed against such **Insured Persons** solely by reason of their serving in such capacity;
 - (2) by the **Insured Company**; or
 - (3) by any of the **Insured Persons** acting as a director, officer, trustee, governor, executive director or similar position of any not-for-profit organization, provided that such **Insured Persons** serve with the knowledge and consent of the **Insured Company**.

III. EXCLUSIONS

We are not obligated to defend or pay **Loss**, including **Defense Costs**, on account of any **Claim**:

- A for bodily injury, assault, battery, invasion of privacy, mental anguish, emotional distress, sickness, disease or death of any person, false arrest, false imprisonment, defamation, libel, slander or damage to or destruction of any tangible property, including loss of use thereof;
- B. for any actual or alleged violation of **ERISA**, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any workers' compensation, unemployment insurance, social security, or disability benefits law, other similar provisions of any federal, state, or local statutory or common law, including any actual or alleged violations of any federal, state or local wage and hour laws or regulations, or foreign statutory law or common law that governs the same topic or subject, and any rules, regulations and amendments promulgated thereto;
- C. brought or maintained by or on behalf of the **Insured Company** or any **Insured Person** in any capacity except;
- (i) a **Claim** that is a derivative action brought or maintained on behalf of the **Insured Company** by one or more persons who are not **Insured Persons** and who bring and maintain the **Claim** without the solicitation, assistance or active participation of the **Insured Company** or any **Insured Person**;
 - (ii) a **Claim** brought by a bankruptcy trustee or creditor's committee;
 - (iii) a **Claim** brought by a former employee, director or officer who has not been employed by, or associated with, the **Insured Company** for more than four (4) years;
 - (iv) a **Claim** brought or maintained by any **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** which is otherwise covered under this **Policy**; or
 - (v) a **Claim** brought or maintained by a shareholder in its capacity as such who is not a duly elected director or duly elected or appointed officer of the **Insured Company** if such **Claim** is made without the solicitation, assistance or active participation of a duly elected director or duly elected or appointed officer of the **Insured Company**.
- Provided, however, that this Exclusion III.C. shall not apply to any **Claim** that is brought or maintained outside of the United States, Canada, Australia or any other common law jurisdiction.
- D. based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Employment Practice** or **Third-Party Discrimination** as those terms are defined in the Employment Practices Liability Coverage Section;
- E. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
- (i) any initial public offering undertaken and consummated by the **Insured Company**, including all activities in connection therewith, or

- (ii) the actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, rules or regulations of the Securities and Exchange Commission promulgated thereunder, any other federal, state, local or provincial statute relating to securities, or any rules or regulations promulgated thereunder, all as amended, for any **Wrongful Act** actually or allegedly committed subsequent to such initial public offering.
- F. based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving:
 - (i) any actual or alleged infringement, misappropriation, or violation of copyright, patent, service marks, trade secrets, title or other proprietary or licensing rights or intellectual property of any products, technologies or services; or
 - (ii) the use or performance of any goods or products manufactured, produced, processed, packaged, sold, marketed, distributed, advertised or developed by the **Insured Company**;

provided, however, that these Exclusions F(i) and F(ii) shall apply only to the **Insured Company** and except that these Exclusions shall not apply to any **Claim** brought by a shareholder of the **Insured Company** in its capacity as such.
 - (iii) the performance of or failure to perform services or professional services for others, or any actual or alleged act, error or omission relating to such services or professional services;
- G. for liability of **Insured Company** under any contract or agreement, except to the extent the **Insured Company** would have been liable in the absence of the contract or agreement;
- H. arising out of, based upon, attributable to, or alleging any conduct, act, error or omission of any **Insured** serving in any capacity other than as your principal, officer, director, trustee, fiduciary or **Employee**;
- I. based on, arising out of, or in any way involving an **Insured** serving in any capacity in any organization which at the time of such service was not an **Insured Company** or **Insured Subsidiary**;
- J. for, based upon, or arising from any conduct or **Wrongful Act** by any **Insured** involving an **Insured Subsidiary** where such conduct or **Wrongful Act** occurred before such entity became an **Insured Subsidiary** or after such entity ceased to be an **Insured Subsidiary**;
- K. based on, arising out of, or in any way involving an **Insured** or the **Insured Company** gaining any profit, remuneration or financial advantage to which such party was not legally entitled, as determined by a judgment or other final adjudication;
- L. for, based upon, or arising from any deliberately dishonest, malicious, criminal or fraudulent act or omission or any willful violation of law by an **Insured**, as determined by a judgment or other final adjudication;
- M. based on, arising out of, or in any way involving any **Claim** brought by on behalf of or in the name or right of any creditor or group or committee of creditors (“Creditor”) of

any **Insured**, including without limitation any assignee, transferee, subrogee, successor in interest, conservator, trustee, liquidator or receiver of any Creditor; and

- N. brought by or on behalf of, or in the name or right of McDonald's Corporation or involving any **Wrongful Act** by McDonald's Corporation.

No fact pertaining to or knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person** for purposes of the above-listed exclusions.

IV. **OUTSIDE BOARD EXTENSION**

This **Policy** shall cover **Loss**, including **Defense Costs**, for any **Claim** arising from an **Insured Person** having served, at the direction of and with the express written consent of the **Insured Company**, as director, officer or trustee for any eleemosynary or not-for-profit corporation or other organization as defined under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) where such **Insured Person** is entitled to indemnification by the **Insured Company**; provided, however, this extension shall be excess of any indemnification and/or insurance that may be provided by such eleemosynary corporation or organization regardless of payment made by or on behalf of such eleemosynary corporation or organization, including but not limited to, any other director and officer liability insurance or similar insurance provided for, to, or by any such eleemosynary corporation or organization.

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COVERAGE SECTION C

FIDUCIARY LIABILITY COVERAGE SECTION

I. INSURING AGREEMENT

We will pay all **Loss** that an **Insured** becomes legally obligated to pay as a result of **Claims** first made against such **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, and reported in accordance with the notice provisions of Section VIII. of the General Terms and Conditions, for any **Fiduciary Wrongful Act**.

II. DEFINITIONS

The following terms, whenever used in this Coverage Section, shall have the meanings indicated below. Other terms shall have the meanings found in the General Terms and Conditions of the **Policy**.

A. **Claim** shall mean:

- (1) an oral or written demand for monetary or injunctive relief commenced by the receipt of such demand by any **Insured**,
- (2) a judicial, administrative or arbitration proceeding commenced against any **Insured** in which such Insured may be subjected to a binding adjudication of liability for damages or injunctive relief, or
- (3) a regulatory proceeding or investigation commenced against any **Insured** by the filing or service of a notice of charges, formal investigative order or similar document, including but not limited to any proceeding or investigation brought by the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any similar federal, state or local government body.

B. **Fiduciary Wrongful Act** shall mean:

- (1) any actual or alleged breach of the responsibilities, obligations or duties imposed upon fiduciaries of any **Insured Plan** by **ERISA** or any similar law of any state or other jurisdiction anywhere in the world;
- (2) any actual or alleged negligent act, error or omission in handling records, counseling employees, effecting enrollment of employees, and termination or cancellation of benefits in connection with an **Insured Plan**; or
- (3) any other matter claimed against any **Sponsor Company** or any **Insured Fiduciary** solely by reason of their serving as fiduciaries of an **Insured Plan**.

C. **Insured(s)**, either in the singular or plural, shall mean for purposes of this Coverage Section C:

- (1) **Sponsor Company**,
- (2) **Insured Plan**,
- (3) **Insured Fiduciary**, or

(4) any other person or organization who were, now are, or shall be acting as a plan administrator of any of **Insured Plan** with the consent of the **Sponsor Company**.

D. **Loss** shall mean that amount an **Insured** is legally obligated to pay solely as a result of a covered **Claim**, including compensatory damages, settlement amounts and legal fees and costs awarded pursuant to judgments, and **Defense Costs** in excess of the applicable self-Insured Retention, but excluding fines, penalties, taxes or matters uninsurable pursuant to applicable law, except that **Loss** shall include the five (5) percent or less and the twenty (20) percent or less penalties imposed upon an **Insured Fiduciary** under Section 502(i) and Section 502(l) of **ERISA**, as amended, with respect to covered settlements or judgments.

III. EXCLUSIONS

We are not obligated to defend, or pay **Defense Costs** or **Loss** on account of any **Claim**:

- A. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, any bodily injury, sickness, disease, emotional distress, mental anguish, outrage, humiliation or death of any person, or damage to or destruction of any tangible property including loss of use thereof; or false arrest, detention or imprisonment, assault or battery, or malicious prosecution; the publication or utterance of a libel or slander or of other defamatory or disparaging material; a publication or utterance in violation of an individual's right of privacy; wrongful entry or eviction; or the invasion of the right of private occupancy;
- B. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, any conduct or **Fiduciary Wrongful Act** by any **Insured** that actually or allegedly occurred at any time when such **Insured Plan** was not sponsored by a **Sponsor Company**;
- C. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, the failure of the **Insured** to comply with any law governing workers' compensation, unemployment or employment insurance benefits, social security, old age security benefits or government disability benefits or any similar law;
- D. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, an **Insured** serving as a fiduciary of any plan, fund or program which is not an **Insured Plan**, even if such service is at the direction or request of the **Sponsor Company**;
- E. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, the liability of any **Insured**, or the liability of others assumed by any **Insured**, under any contract or agreement, either oral or written, except in accordance with the agreement or declaration of trust pursuant to which any **Insured Plan** was established, unless the **Insured** would have been liable in the absence of such contract or agreement;
- F. based on, arising out of, or in any way involving an **Insured** gaining any profit, remuneration or financial advantage to which such party was not legally entitled, as determined by a judgment or other final adjudication;

- G. for, based upon, or arising from any deliberately dishonest, malicious, criminal or fraudulent act or omission or any willful violation of law by an **Insured**, as determined by a judgment or other final adjudication.
- H. for, based upon, or arising from, directly or indirectly, or in consequence of, or in any way involving, any **Wrongful Employment Practice** or **Third-Party Discrimination**, as those terms are defined in the Employment Practices Liability Coverage Section;
- I. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, any actual or alleged taking or retention of a surplus or reversion from any **Insured Plan** by the **Sponsor Company** or to any successor or assign of the **Sponsor Company**;
- J. for, based upon, arising out of, resulting from, in consequence of, in connection with, or in any way related to, directly or indirectly, the failure to fund an **Insured Plan** in accordance with **ERISA** or the **Insured Plan's** document or to collect contributions owed to an **Insured Plan**; or
- K. for benefits due or to become due under the terms of an **Insured Plan** unless, and to the extent that, (1) the **Insured** is a natural person and the benefits are payable by such **Insured** as a personal obligation, and (2) recovery for the benefits is based upon a covered **Fiduciary Wrongful Act**.

Except that with respect to a **Claim** alleging those excluded matters identified in Exclusions I., J. and K. only, we will pay **Defense Costs**.

The **Fiduciary Wrongful Act** of any **Insured Fiduciary** shall not be imputed to any other **Insured Fiduciary** for purposes of applying the exclusions set forth in this Section III.

IV. NON-RECOURSE

We will have all rights of recourse permitted by law. In the event, however, this **Policy** has been purchased by an **Insured** other than an **Insured Plan**, we will have no right of recourse against an **Insured Fiduciary**.

[THIS SPACE INTENTIONALLY LEFT BLANK]

ADDITIONAL CLAUSES AND ENDORSEMENTS

ENDORSEMENT NUMBER 1

It is hereby understood and agreed that wherever the word "Policy" appears herein same shall be deemed to read "Certificate".

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

CHOICE OF LAW CLAUSE

It is hereby understood and agreed by both the Insured and Underwriters that any dispute concerning the interpretation of this Policy shall be governed by the laws of New York, U.S.A.

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ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD) (U.S.A.)

For attachment to insurances of the following classifications in the U.S.A., its Territories and Possessions, Puerto Rico and the Canal Zone:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability),

not being insurances of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This Policy* does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
 - (a) with respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means:

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

* NOTE: As respects policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

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RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

For attachment (in addition to the appropriate Nuclear Incident Exclusion Clause-Liability-Direct) to liability insurances affording worldwide coverage.

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

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WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

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**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED
NEW & RENEWAL BUSINESS ENDORSEMENT**

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of an additional premium of USD NIL paid, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2014, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

21/12/2007
LMA5091
Form approved by Lloyd's Market Association

EMPLOYMENT EVENT ENDORSEMENT

In consideration of the premium charged, the following changes to EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION A are hereby understood and agreed:

I. Section I., **INSURING AGREEMENT**, is amended to add the following:

We will also pay the **Employment Event Loss** incurred by the **Insured Company** solely with respect to an **Employment Event** first occurring during the **Policy Period**, or Extended Reporting Period if applicable, and reported in writing to our Authorized Representatives identified in the Declarations as soon as practicable but in no event later than seventy-five (75) days after the expiration of the **Policy Period** or the last day of the Extended Reporting Period if applicable, from first dollar, provided that the payment of **Employment Event Loss** shall not waive any of our rights under this Policy or at law. Coverage under this Employment Event Endorsement shall apply regardless of whether a **Claim** is ever made against an **Insured** arising from such **Employment Event** and, in the case where a **Claim** is made, regardless of whether the **Employment Event Loss** is incurred prior to or subsequent to the making of such **Claim**.

An **Employment Event** commences when the **Insured Company** or any of its executive officers shall first become aware of such **Employment Event**. An **Employment Event** shall conclude ninety (90) days after it first commences or when the **Employment Event** Sublimit has been exhausted.

II. Section II., Definitions, for purposes of this endorsement is amended to include the following terms:

P. “**Employment Advisor**” means any public relations firm, security firm or mental health professional selected by the **Insured** with our prior consent, such consent not to be unreasonably withheld.

Q. “**Employment Event**” means any of the following events, which shall be deemed to commence (i) when an executive officer of the **Insured Company** first believes in good faith that it is more likely than not that such event will occur within the next sixty (60) days, or (ii) with respect to 5. below, when the event occurs, whichever is earlier:

- (i) layoff/termination of 20% or greater of the **Insured Company’s** workforce;
- (ii) acquisition of an organization that necessitates a material change in employment status or terms of employment of 20% or greater of the **Insured Company’s** workforce;
- (iii) the public announcement in the media of allegations of discrimination or harassment implicating an executive officer of the **Insured Company**, or a **Claim** alleging a **Third Party Discrimination**;
- (iv) receipt by the **Insured Company** of notice that a civil rights organization, public interest group or similar organization is investigating the **Insured Company** for violations of state or federal employment laws or mass distributing literature that accuses the **Insured Company** of violations of state or federal employment laws;

- (v) a workplace disaster resulting in loss of life or the imminent threat of or actual use of a lethal weapon which occurs on the **Insured Company's** premises, including without limitation, flood, fire, or workplace violence, which involves discrimination

R. "**Employment Event Loss**" means reasonable fees and expenses charged by **Employment Advisor** in connection with:

- a. advising the **Insured Company** with respect to minimizing potential loss or liability on account of an **Employment Event**;
- b. retaining an independent security consultant or for independent security guard services with respect to an **Employment Event** described in Definitions Q.(i), (ii) or (v) of this endorsement;
- c. managing or administering disclosures to clients, customers, suppliers, investors or the public regarding an **Employment Event**; or
- d. providing counseling to any **Employee** on account of an **Employment Event**

provided, that **Employment Loss** shall not include salaries, regular or overtime wages, fees or benefit expenses associated with **Employees** or the **Insured Company's** overhead expenses.

III. Section IV. **Limit of Liability and Self-Insured Retention**, and the Declarations, are amended to include the following:

The following **Employment Event** Sublimit is our maximum aggregate Limit of Liability for all **Employment Event Loss** resulting from all **Employment Events**, which amount shall be part of, and not in addition to, the Maximum Limit of Liability for each **Claim** shown in Item 4.A of the Declarations:

Employment Event Sublimit: USD 5,000

PRIVACY VIOLATION ENDORSEMENT

In consideration of the premium charged, the following changes to EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION A are hereby understood and agreed:

- I. Section II. Definition E, **Wrongful Employment Practices**, is amended to include **Privacy Violation(s)**, as defined herein.
- II. Section II. Definitions, is amended for purposes of this endorsement to include the following terms.
 - A. **“Breach Notice Law”** means any state, federal or foreign statute or regulation that requires notice to persons whose **Personally Identifiable Non-Public Information** was accessed or may reasonably have been accessed by an unauthorized person.
 - B. **“Personally Identifiable Non-Public Information”** means information about an **Employee** obtained by the **Insured Company** solely in its capacity as the employer of such individual. **Personally Identifiable Non-Public Information** does not include any information obtained by an **Insured** in any other capacity including without limitation information obtained as a result of the **Employee** being a customer of the **Insured Company**.
 - C. **“Privacy Policy”** means the internal or publicly accessible written documents that set forth the **Insured Company’s** policies, standards and procedures for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to, **Personally Identifiable Non-Public Information**.
 - D. **“Privacy Violation”** means:
 1. theft of **Personally Identifiable Non-Public Information** that is in the care, custody or control of the **Insured Company**, or an independent contractor that is holding or processing such information on behalf of the **Insured Company**;
 2. the **Insured Company’s** failure to timely disclose a incident or event triggering a violation of any **Breach Notice Law**;
 3. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:
 - a. prohibits or restricts the **Insured Company’s** disclosure, sharing or selling of an **Employee’s Personally Identifiable Non-Public Information**;
 - b. requires the **Insured Company** to provide access to **Personally Identifiable Non-Public Information** or to correct incomplete or inaccurate **Personally Identifiable Non-Public Information** after a request is made by an **Employee**; or
 - c. mandates procedures and requirements to prevent the loss of **Personally Identifiable Non-Public Information**.

WAGE AND HOUR ENHANCEMENT ENDORSEMENT

In consideration of the premium charged, the following changes to EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION A are hereby understood and agreed:

1. Notwithstanding EXCLUSIONS, Section III, EXCLUSION A, we agree to provide **Defense Costs** coverage for **Wage and Hour Claims**.

For purposes of this endorsement, **Wage and Hour Claim** shall mean any **Claim** solely alleging violations of any federal, state or local law governing or relating to the payment of wages, including the payment of overtime, on-call time, rest periods, minimum wages or the classification of **Employees** for the purposes of determining **Employees'** eligibility for compensation under such law(s) (collectively referred to herein as "wage and hour laws").

Our maximum aggregate Limit of Liability pursuant to this endorsement shall be \$150,000 and shall only apply to **Defense Costs** ("the Wage and Hour Limit"). The Wage and Hour Limit shall be part of, and not in addition to, the applicable Limits of Liability identified in the Declarations for COVERAGE SECTION A. In no event shall the Wage and Hour Limit apply to Loss, other than **Defense Costs**, incurred in connection with **Wage and Hour Claims** and in no event shall we be obligated to pay more than the applicable Limits of Liability identified in the Declarations as applying to COVERAGE SECTION A.

As respects coverage for **Claims** that allege violations of any wage and hour law(s) and also contain allegations of otherwise covered **Wrongful Employment Practices**, the \$150,000 Wage and Hour Limit shall apply to those **Defense Costs** attributable solely to that portion of the **Claim** alleging violations of any wage and hour law(s). Notwithstanding the provisions of DEFENSE AND SETTLEMENT Section II of the GENERAL TERMS AND CONDITIONS, the applicable Limit of Liability stated in the Declarations for COVERAGE SECTION A shall apply to **Loss** and/or **Defense Costs** attributable solely to that portion of such **Claim** alleging the covered **Wrongful Employment Practices**.

2. No coverage shall be available for any **Wage and Hour Claim**, or that portion of any **Claim** that alleges violations of any wage and hour law(s) if any **Insured** who is a principal, partner, officer, director, trustee, in-house counsel, **Employee(s)** within the HR or Risk Management department or **Employee(s)** with personnel and risk management responsibilities was aware of the violations of the wage and hour law(s) by actual knowledge prior to the inception date identified in Item 2 of the Declarations.
3. In excess of the applicable Self-Insured Retention amount, and subject to the Wage and Hour Limit, the **Insured Company** shall bear uninsured and at its own risk 0% of **Defense Costs** resulting from any **Wage and Hour Claim** brought as a class action (whether certified or not) or by multiple claimants or in multiple plaintiff suits arising out of related **Wrongful Employment Practices**, and our liability shall apply only to the remaining percentage of such **Defense Costs**.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

FRANCHISOR ENDORSEMENT

It is agreed that Franchisor shall be an Additional Insured but only in the event Franchisor is named in a Claim along with **Huntington Golden Coach**. Notwithstanding, as respects the coverage afforded to Franchisor, Underwriters' maximum limit of liability shall be \$100,000 and shall only apply to Defense Costs. This shall be part of and not in addition to the aggregate limit of liability set forth in Item 4 of the Declarations and shall in no way serve to increase such aggregate limit of liability each Policy Period.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

SAMPLE

PREMIUM PAYMENT WARRANTY

IT IS HEREBY WARRANTED that all premium due to Underwriters under this policy is paid within 30 days from inception.

Non-receipt by Underwriters of such premium, by midnight (local standard time) on the premium due date, shall render this policy void with effect from Inception.

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SAMPLE

SECURITY DETAILS

ATTACHING TO CERTIFICATE NUMBER: KAH100660
ATTACHING TO MASTER POLICY NUMBER: AX1200008

HEREON: 100%

SECURITY: CERTAIN UNDERWRITERS AT LLOYD'S

PROPORTION	SYNDICATE
18.00%	AFB 623
82.00%	AFB 2623

SAMPLE

