

This insurance is provided under the Master Policy and is in accordance with the terms of the Master Policy. The original Master Policy may be inspected at the offices of the Master Policyholder. The respective names of and proportions underwritten by the Underwriters can be ascertained from the office of the Master Policyholder.

All inquiries regarding the Master Policy should be addressed to the following Correspondent:

Mark Kollar  
Edgewater Holdings, Ltd  
20 East Jackson Blvd.,  
4<sup>th</sup> Floor,  
Chicago,  
Illinois 60604,  
USA

**This Declaration Page is attached to and forms part of certificate provisions**

Previous: Not Applicable

Authority Ref. No: «UMR» Certificate No: «POLICY\_»

1. Name and address of the Assured «INSURED\_COMPANY\_NAME» doing business as «INSURED\_DBA\_NAME»  
«INSURED\_ADDRESS»  
«INSURED\_CITY», «INSURED\_STATE\_ABB» «ZIP\_CODE»

2. Effective from: «PERIOD\_FROM» to «PERIOD\_TO» both days at 12.01 a.m. Local Standard Time at the Principal Address.

3. This evidences that Insurance has been placed with certain **UNDERWRITERS AT LLOYD'S, LONDON**

Percentage: 100%

4. Coverage EMPLOYMENT PRACTICES LIABILITY

Interest Claims Made Employment Practices Liability as more fully defined in the wording.

Limits

- a) «LIMIT\_» Maximum Limit of Liability for each Claim
- b) «M\_3rd\_Party\_Limit» Third Party Discrimination  
Limit of Liability
- c) «Punitive\_Limit» Punitive, exemplary and multiple damages Limit of  
Liability
- d) «Agg\_Limit» Maximum aggregate Limit of Liability for all Claims
- e) «Defense\_Only\_Limit» Defense-Only Limit of  
Liability

Self Insured Retention «Deductible» Each and Every Claim

Premium «gross\_premium»

5. Conditions Wording: ARCH/EPL – Gen (Word Processed Equivalent)  
Application Dated: «Date\_Application\_Signed»  
Prior and Pending Date: «PPDate»  
Endorsement Number 1  
Choice of Law Clause - 623AFB00113  
Nuclear Incident Exclusion Clause - Liability - Direct - Broad NMA 1256  
Radioactive Contamination Exclusion - Liability - Direct - NMA 1477  
Franchisor endorsement LII 159  
War and Terrorism Exclusion – NMA 2918  
US Terrorism Risk Insurance Act of 2002 as amended New and Renewal  
Business Endorsement – LMA 5091  
Insured Education Document – ARCH001  
Employment Practices Liability Helpline – ARCH002  
Employment Practices Liability Helpline Service Terms – ARCH002

6. Service of Suit may be made upon Mendes & Mount, 750 Seventh Avenue,  
New York, New York 10019-6829, U.S.A

Dated, July 20, 2007



---

Director  
Edgewater Holdings, Ltd (Correspondent)

**ENDORSEMENTS/ADDITIONAL CLAUSES**

**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.

623AFB00113

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

**FRANCHISOR ENDORSEMENT LII 159 (01/08)**

It is agreed that the Franchisor shall be an Additional Insured but only in the event the Franchisor is named in a Claim along with «**INSURED\_COMPANY\_NAME**» Notwithstanding, as respects the coverage afforded to the 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 3 of the Declarations and shall in no way serve to increase such aggregate limit of liability each Policy Period.

For the purposes of this endorsement the following are listed as Franchisors:

Jani-King International, Inc.  
16885 Dallas Pkwy  
Addison TX 75001

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED**

**LII 159 (01/08)**

## **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.

17/3/60  
NMA1256

## **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.

13/2/64

NMA1477

## 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.

08/10/01  
NMA2918

**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 US \$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

## INSURED EDUCATION DOCUMENT

### ARCH INTERMEDIARIES, LTD.

#### EMPLOYMENT PRACTICES LIABILITY INSURANCE

#### SOME IMPORTANT TIPS FOR ALL POLICYHOLDERS

*The Policy is your insurance contract with Underwriters. To ensure you receive the full benefits of the insurance contract you have purchased, you should read the Policy carefully. What follows is intended to be advisory in nature only. If you have any questions about any of the Policy's terms, conditions, provisions and/or exclusions, or if you have any questions about how the Policy operates, please contact your broker immediately.*

#### **Q. WHAT IS A CLAIM?**

- ➔ A. Please take some time to review the definition of "Claim" found in the Definitions Section of your Policy. As you will see, a "Claim" can be many things and is more than just a lawsuit. A "Claim" can be:
- a) the filing of a civil lawsuit or arbitration proceeding;
  - b) the filing of a criminal lawsuit or the institution of criminal proceedings;
  - c) an EEOC or DFEH proceeding or other similar federal, state or local administrative proceeding;
  - d) a written demand for monetary damages or non-monetary relief;
  - e) a written notice that one of your employees intends to hold you responsible for a Wrongful Employment Practice; or
  - f) a written notice that a non-employee, such as a customer or client, intends to hold you responsible for Third-Party Discrimination;

#### **Q. WHAT SHOULD WE DO IF WE RECEIVE A CLAIM?**

- ➔ A. In the event you receive a Claim, you must immediately notify Underwriters' Authorized Representatives. The contact details for Underwriters' Authorized Representatives appear on the Declarations Page of your Policy and are noted below as well. You should make certain that those individuals in your company who are responsible for receiving notifications of Claims are aware of the procedures to follow in the event of a Claim. These procedures are set forth in detail in the notice provisions of your Policy. Please take some time and review these provisions. Failure to comply with the Policy's provisions as respects proper and timely notice of Claims may jeopardize your rights to coverage.

Mr Jeffrey Hirsch  
Kissel Pesce Hirsch & Wilmer LLP  
580 White Plains Road  
Tarrytown, NY 10591  
Tel: (914) 750 5933  
Fax: (914) 750 5922

**Q. CAN WE APPOINT DEFENSE COUNSEL OURSELVES IF WE RECEIVE NOTICE OF A CLAIM?**

- A. No. Please do not appoint defense counsel yourselves. Pursuant to the terms of the Policy, Underwriters have the right to either appoint counsel or, in some instances, approve your choice of counsel. Under no circumstances, however, should you assign the Claim to counsel without first speaking to Underwriters' Authorized Representatives. Underwriters will not pay for any costs incurred by counsel: 1) prior to receipt of Claim notification by Underwriters' Authorized Representatives; and 2) unless that counsel has been appointed or pre-approved by Underwriters.

**Q. ARE WE ALSO REQUIRED TO NOTIFY UNDERWRITERS ABOUT INCIDENTS/POTENTIAL CLAIMS?**

- A. You have the option of notifying Underwriters of incidents that do not rise to the level of Claims. Perhaps your employee has made just a verbal complaint and is threatening to file a lawsuit. Or perhaps someone in your company tells you they have witnessed discrimination and/or harassment. While these are not technically "Claims," Underwriters may consider them notice of potential Claims. You do not have to give Underwriters notice of these potential Claims, although it is usually prudent to do so. Any Claims arising from potential Claims will be deemed first made on the date notice is given. Notices of potential Claims are given to Underwriters' Authorized Representatives in the same way notices of Claims are provided.

**Q. CAN WE SETTLE CASES WITHOUT OBTAINING UNDERWRITERS' CONSENT?**

- A. No. Underwriters will not pay any settlement amounts in connection with settlements to which they have not expressly consented.

**Other Responsibilities**

**Q. WHAT SHOULD WE DO IF OUR COMPANY MERGES WITH OR ACQUIRES ANOTHER COMPANY?**

- A. There is a "Changes in Exposure" clause in your Policy that addresses these situations. You have automatic "free" coverage for newly acquired companies during the policy period if the number of employees you acquire does not exceed 50% of the total employee number at the beginning of the policy period (as noted on the application or renewal application). Should the employee count exceed 50%, you will need to inform Underwriters via your broker and your premium may be adjusted accordingly.

**Q. WHAT SHOULD WE DO IF WE NEED TO CANCEL THE POLICY?**

- A. While the Policy is non-cancelable by Underwriters except for non-payment of premium, you may cancel the Policy at any time by giving Underwriters written notice via your broker.

**Q. WHAT SHOULD WE DO IF WE WANT TO INVOKE THE EXTENDED REPORTING PERIOD?**

- ➔ A. In the event of non-renewal or cancellation, you have the right to purchase an Extended Reporting Period upon payment of additional premium as outlined in your Policy. Underwriters will require a written request for the Extended Reporting Period within 30 days from the effective date of the non-renewal or cancellation. That request should be made via your broker. The additional premium is payable to Underwriters within 45 days. Any Extended Reporting Period additional premium is deemed fully earned upon payment.

**Q. WHAT SHOULD WE DO IF WE ARE PLANNING TO HAVE A REDUCTION IN FORCE?**

- ➔ A. A reduction in force is obviously a very stressful time for your company and an event that may affect EPL insurers as well. Underwriters will provide coverage for the usual types of Claims that arise in connection with and/or are associated with a reduction in force *but* Underwriters ask that you exercise caution before laying off any employee by consulting with a lawyer who specializes in labor and employment law. Please let your broker know if you need a recommendation for a labor and employment firm in your area. You may also consult with your in-house counsel if he/she has experience in labor and employment law.

**Q. WE NEED/WANT LOSS CONTROL SERVICES. WHAT SHOULD WE DO?**

- ➔ A. In order to assist Insureds who strive to be fully compliant with federal, state and local employment laws, Underwriters will, at their own expense, provide you with the services of a top quality local employment lawyer to review your company's employment policies/procedures. The attorney will discuss with you the current state of EPL law and also provide sensitivity training for your staff and managers who deal with personnel issues. Underwriters will provide this assistance upon request to both new and renewal clients. If you are interested in these loss control services, please let your broker know so that appropriate arrangements may be made and the loss control may be scheduled.

**Q. HOW CAN OUR RETENTION BE REDUCED WHEN WE HAVE CLAIMS FOR WRONGFUL TERMINATION CLAIMS?**

- ➔ A. Underwriters agree to reduce your Retention by 25% if you obtain and adopt the written advice of a labor and employment law firm recommended or approved by Underwriters prior to the termination of an employee. In the unfortunate event your company is notified of wrongful termination Claim as respects events arising from that employee's termination, the Retention that applies to that Claim will be reduced by 25%. Please let your broker know if you need a recommendation for a labor and employment firm in your area. If you already have a firm that you wish to consult with, please let your broker know the name of that firm. Please do not seek advice from any firm without first obtaining Underwriters' consent.

*The above noted tips do not change or replace your Policy in any way and you should read your entire Policy, not just these tips. If you have any questions or concerns with regard to your Policy please contact your broker immediately.*

## **EMPLOYMENT PRACTICES LIABILITY HELPLINE**

As a policyholder, you have access to our free Employment Practices Liability Helpline. This Helpline Service assists our policyholders with questions that result from employment practice issues. It is our experience that many claims can be avoided when our policyholders seek advice from an experienced employment attorney before a problem or claim arises.

In order to provide this service, the Company has retained the law firm of Burke, Warren, MacKay & Serritella, P.C. Burke, Warren, MacKay & Serritella is a law firm that is experienced in the practice of labor and employment law representing employers. Attached is a summary of terms under which this service is offered.

In order to use this service, simply call Phylis Reynolds at **1-877-376-4100** and identify yourself as a policyholder. Please be prepared to provide your name and policy number or the name of your company. After your employer's policy is verified, Ms. Reynolds will have one of Burke, Warren's employment attorneys speak with you and assist you.

***ARCH002***

## EMPLOYMENT PRACTICES LIABILITY HELPLINE SERVICE TERMS

Each policyholder utilizing this service will be a client of Burke, Warren, MacKay & Serritella, P.C., subject to the following understanding between the Company, Burke, Warren, MacKay & Serritella, P.C., and each policyholder:

- (A) The attorney-client relationship between Burke, Warren, MacKay & Serritella, P.C. and each policyholder is limited to the consultation on the discrete matter which is the subject of the policyholder's telephone inquiry. Such inquiries are limited to routine questions about basic principles of labor and employment law. Novel or complex questions in unsettled area of the law, or questions which are highly fact-specific, are outside the scope of the Helpline Service. In addition, the Helpline Service does not cover such things as responding on behalf of a policyholder to a lawsuit, a charge filed with an administrative agency, a demand letter from an attorney, or drafting personnel policies or handbooks. If a policyholder desires such services, the policyholder should enter into a separate retainer with Burke, Warren, MacKay & Serritella, P.C. or secure other counsel.
- (B) Burke, Warren, MacKay & Serritella, P.C. cannot provide advice or representation concerning any possible disputes or controversies between the policyholder and the Company, including whether any particular claim or potential claim or demand against a policyholder is covered by the insurance policy;
- (C) Utilization of this service or notice to Burke, Warren, MacKay & Serritella, P.C. of a claim or potential claim against a policyholder does not constitute notice to the Company of a claim or potential claim, and Burke, Warren, MacKay & Serritella, P.C. is under no obligation to, and will not, report such a claim or potential claim to the Company;
- (D) The policyholder consents in advance to Burke, Warren, MacKay & Serritella, P.C.'s adverse representation in matters unrelated to any issue on which Burke, Warren, MacKay & Serritella, P.C. has consulted with the policyholder under this service and as to which Burke, Warren, MacKay & Serritella, P.C. has not acquired confidential information, and the policyholder agrees not to seek disqualification of Burke, Warren, MacKay & Serritella, P.C. in such matters;
- (E) By utilization of this service, the policyholder becomes a client of Burke, Warren, MacKay & Serritella, P.C. for the purpose of securing Burke, Warren, MacKay & Serritella, P.C.'s response to the inquiry; the communications between the policyholder and Burke, Warren, MacKay & Serritella, P.C. will be confidential and will not be disclosed to any third persons, including the Company provided, however, that Burke, Warren, MacKay & Serritella, P.C. may provide to the Company redacted general summaries of the services rendered under this arrangement, and will disclose to the Company the state (or, where a local ordinance is involved, the locality) in which the question arose, without identifying the particular policyholder;
- (F) Any failure by the policyholder to seek, accept, or act in accordance with, the advice rendered by Burke, Warren, MacKay & Serritella, P.C. shall not operate to permit the Company to deny liability for punitive damages;
- (G) In the event of a dispute between the Company and any policyholder, neither Burke, Warren, MacKay & Serritella, P.C. nor any Burke, Warren, MacKay & Serritella, P.C. attorney will be called upon to provide testimony or other evidence in connection with such dispute, and no communication by Burke, Warren, MacKay & Serritella, P.C. will be offered as evidence in such dispute without the written consent of the Company the policyholder and Burke, Warren, MacKay & Serritella, P.C.;
- (H) Burke, Warren, MacKay & Serritella, P.C. shall be solely responsible for the advice rendered pursuant to this arrangement and the Company is not directly or indirectly engaged in the practice of law or in any way responsible for the content of the communications between Burke, Warren, MacKay & Serritella, P.C. and the policyholder; and
- (I) A policyholder's utilization of the service shall constitute agreement to the foregoing terms.

**ARCH INTERMEDIARIES LIMITED**

IMPORTANT NOTE: THIS IS CLAIMS MADE AND REPORTED COVERAGE. PLEASE READ THIS POLICY CAREFULLY.

THIS POLICY IS WRITTEN ON A CLAIMS MADE BASIS AND COVERS ONLY CLAIMS: 1. FIRST MADE DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD IF EXERCISED; AND 2. REPORTED WITHIN THE TIME SPECIFIED IN THE NOTICE PROVISIONS. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY DEFENSE COSTS. DEFENSE COSTS AND LOSS PAYMENTS SHALL BE APPLIED AGAINST THE SELF-INSURED RETENTION.

**EMPLOYMENT PRACTICES LIABILITY  
INSURANCE**

## ARCH INTERMEDIARIES LIMITED

### EMPLOYMENT PRACTICES LIABILITY INSURANCE

Various provisions in this **Policy** restrict coverage. 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** in SECTION III.F.

Other words and phrases that appear in **bold** have special meaning as described in SECTION III.

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:

#### I. **INSURING AGREEMENT**

We will pay all **Loss** that the **Insureds** become obligated to pay as a result of **Claims** first made against any **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, and reported in accordance with the notice provisions in Section V.B.1, for **Wrongful Employment Practices** or **Third-Party Discrimination**.

#### II. **DEFENSE AGREEMENT**

We will defend the **Insureds** against all **Claims** to which this **Policy** applies in accordance with the defense provisions in Section V.A.

#### 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**.

B. **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**;
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**.

For the purposes of this **Policy**, all **Claims** arising out of the same **Wrongful Employment Practices** or **Third-Party Discrimination** and all **Interrelated Claims** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.

- C. **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** pursuant to DEFENSE AGREEMENT Section II; 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** identified under Section V.B.2, if incurred at our request and direction.
- D. **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, and including **Leased Employees**. Independent contractors will also be considered **Employees**.
- 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** means the **Insured Company** and individuals who are your current or former principals, partners, officers, directors, trustees, shareholders, members of the Board of Managers, management committee members, in-house general counsel and those **Employees** for whom you request coverage at the time of the **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.
- G. **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**.
- H. **Insured Subsidiary** means any organization more than 50% owned by the **Insured Company** listed in Item 1 of the Declarations. Subject to the provisions contained in Section V.O of this Policy, **Insured Subsidiary** shall also include any organization acquired by the **Insured Company** listed in Item 1 during the **Policy Period**; *provided, however*, that: 1. such acquired organization is more than 50% owned by the **Insured Company**; 2. the total number of the acquired organization's employees does not exceed 50% of the total number of the **Insured Company's Employees** as of the inception date of this **Policy**; and 3. coverage for such acquisition shall only apply to **Loss**, including **Defense Costs**, arising from **Wrongful Employment Practices** or **Third-Party Discrimination** taking place after the acquisition.
- I. **Interrelated Claims** means all **Claims** arising from **Wrongful Employment Practices** and **Third-Party Discrimination** that have as a common nexus any fact, circumstance, situation, event, transaction, or series of related facts, circumstances, situations, events, or transactions.
- J. **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.
- K. **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 Self-Insured Retention. Punitive, exemplary, and multiple damages are also **Loss** if such coverage is purchased and indicated by an amount appearing in Item 3(c) of the Declarations, and to the extent insurable under the law of any applicable jurisdiction most favorable to insurability.

**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 instating 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.

- L. **Policy** means, collectively, the Declarations, the **Application**, this form, and any endorsements.
- M. **Policy Period** means the period of time specified in Item 2 of the Declarations, subject to any prior cancellation described in Section V.R of this **Policy**.
- N. **Third-Party Discrimination** means any actual or alleged discrimination, including harassment, or civil rights violation by an **Insured** against any non-**Employee**.
- O. **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; or

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.

#### IV. EXCLUSIONS

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

1. 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 of 1985, the Occupational Safety and Health Act, the Employee Retirement Income Security Act of 1974, 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*, 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 such **Claim** also alleges **Wrongful Employment Practices** otherwise covered by this **Policy**, notwithstanding the provisions of DEFENSE AGREEMENT Section II, Underwriters agree to pay **Defense Costs** and/or **Loss** but solely for that portion of the **Claim** involving such **Wrongful Employment Practices** allegations and subject to all other terms, conditions and exclusions contained in this **Policy**;
2. based upon, arising out of, or attributable to any fact, circumstance, or situation
  - (i) that was the subject of written notice given under any prior policy of which this **Policy** is a renewal and/or replacement;
  - (ii) that was the subject of any written demand for monetary damages, administrative or arbitration proceeding or civil or criminal litigation against any **Insured** as of the Prior and Pending Date identified in Item 5 of the Declarations, or the same or substantially the same fact, circumstance, or situation underlying or alleged in the prior matter; or
  - (iii) that was identified in any summary or statement of claims or potential claims submitted in connection with the **Application**;
3. arising out of, based upon, or attributable to, the adjudicated criminal action the part of any **Employee** provided, however, that the criminal act of one **Employee** shall not be imputed to any other **Insured** for purposes of this exclusion;
4. 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;
5. 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
6. by a non-**Employee** for bodily injury including assault and battery.

#### V. GENERAL CONDITIONS AND LIMITATIONS

##### A. 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 Item 3(a) of 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. 80% of covered **Loss** excess of the proposed settlement as long as 20% 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** covered by this **Policy**, if, with regard to settlement, the total **Loss**, including **Defense Costs**, would exceed the Self-Insured Retention, 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 the **Claim**. The **Insureds** agree that in the event of a **Claim**, they will do nothing that may prejudice our position or rights of recovery.

## B. Notice Provisions

### 1. Notice of **Claim**

The **Insureds** will, as a condition precedent to their rights under this **Policy**, give our Authorized Representatives, as identified in the Declarations, written notice of any **Claim** made against the **Insureds** as soon as practicable, but in no event later than sixty (60) days after the end of the **Policy Period**. Along with the notice of **Claim**, the **Insureds** will provide our Authorized Representatives, as identified in the Declarations, 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 Underwriters pay any **Defense Costs** incurred prior to **Claim** notification.

### 2. Notice of Potential **Claim**

Solely at the **Insured's** option, the **Insured** may within the **Policy Period** or within the Extended Reporting Period, if purchased, provide us with notice of circumstances that could give rise to a **Claim** for **Wrongful Employment Practices** or **Third-Party Discrimination**. Such notice shall include the identity of the person(s) involved and the reason the **Insured** believes a **Claim** may be made. If such notice is received by us or by our Authorized Representative within the **Policy Period**, or within the Extended Reporting Period, if purchased, then any **Claim**

subsequently arising from such circumstances shall be deemed made on the date such notice was received.

### C. **Limit of Liability**

1. Our maximum liability for **Loss** and **Defense Costs** combined on account of each **Claim** first made during the **Policy Period** shall be the Limit of Liability set forth in Item 3(a) of the Declarations. Our maximum liability for **Loss** and **Defense Costs** combined on account of all **Claims** first made during the same **Policy Period** shall be the Limit of Liability for the **Policy Period** set forth in Item 3(d) of the Declarations.
2. Item 3(b) of the Declarations reflects our maximum liability for **Claims** of **Third-Party Discrimination**. Item 3(c) of the Declarations reflects our maximum liability for punitive, exemplary, and multiple damages. The amounts indicated in Item 3(b) and Item 3(c) of the Declarations will not operate to increase the per **Claim** Limit of Liability indicated in Item 3(a) of the Declarations or the aggregate Limit of Liability indicated in Item 3(d) of the Declarations.
3. The Limit of Liability for the Extended Reporting Period, if exercised, shall be part of and not in addition to the Limit of Liability for the **Policy Period**. The purchase of the Extended Reporting Period shall not increase or reinstate the Limit of Liability set forth in Item 3(d) of the Declarations, which shall be our maximum liability for all **Loss**, including **Defense Costs**, on account of all **Claims** first made during such **Policy Period** and Extended Reporting Period, combined.
4. **Defense Costs** shall be part of, and not in addition to, the Limits of Liability set forth in Items 3(a)-3(d) of the Declarations, and **Defense Costs** shall reduce the Limits of Liability. Notwithstanding the other provisions of this Section V., if purchased and indicated in Item 3 (e) of the Declarations, an additional Limit of Liability 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 Limit of Liability as indicated in Items 3(a)-3(d) 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, judgements, 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 Limit of Liability indicated in Items 3(a)-3(d) of the Declarations toward **Loss**, other than **Defense Costs** within the Defense-Only Limit.

In no event shall our obligations under the **Policy** exceed the combination of the original Limit of Liability in Item 3(a) of the Declarations plus the Defense-Only Limit indicated in Item 3(e) of the Declarations. If a Defense-Only Limit is purchased, references in other parts of Section V to "Limit of Liability" 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.

### D. **Self-Insured Retention**

1. Our liability with respect to **Loss**, including **Defense Costs**, arising from each **Claim** shall apply only to that part of **Loss**, including **Defense Costs**, in excess of the Self-Insured Retention amount set forth in Item 4 of the Declarations and that Self-Insured Retention amount will be the **Insured Company's** uninsured responsibility. 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 on account of **Financial Impairment**.
2. The Self-Insured Retention amount applies to each **Claim** or **Interrelated Claims**, regardless of

the number of claimants.

3. 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 of the Declarations shall be reduced by 25% for any **Claim** commenced by that **Employee** arising from the events of the termination.
4. If the **Insured** 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 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.
5. 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 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 according to Section V.D is not brought) 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 according to Section V.D) 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.

#### E. **Other Insurance**

Unless expressly written to be excess over other insurance, this **Policy** is intended to apply as primary insurance for **Wrongful Employment Practice Claims** covered by this **Policy**. As to coverage for **Claims** against **Leased Employees**, this **Policy** applies excess of all indemnification and insurance available to any **Insured** from or through the leasing company. As to coverage for **Claims** for **Third-Party Discrimination**, this **Policy** applies excess of all indemnification and insurance that may otherwise be available to any **Insured**. Nothing in this provision shall prevent Underwriters or the **Insureds** from seeking contribution or coverage from any other insurer or indemnitor.

#### F. **Spousal 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 spousal or domestic partner status, or (b) such spouse's or domestic partner's ownership interest in property or assets that are sought as recovery for **Wrongful Employment Practices** or **Third-Party Discrimination**, any such **Claim** shall be deemed to be a **Claim** against an **Insured**.

All terms and conditions of this Policy, including the Self-Insured Retention, will be applicable to such **Claim**.

The extension of coverage afforded by this Section V.F shall not apply to the extent the **Claim** alleges any wrongful act or omission by such spouse.

## G. Representations and Severability

In issuing this **Policy**, we relied upon the statements and representations in the **Application**. The **Insureds** represent that all such statements and representations are 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 statements or representations are untrue, this **Policy** will not afford any coverage with respect to any of the following **Insureds**:

1. any **Insured** who knew the facts that were not truthfully disclosed in the **Application**, and
2. the **Insured Company**, if the individual(s) who executed the Application knew the facts that were not truthfully disclosed.

No knowledge possessed by any **Insured** shall be imputed to any other **Insured**.

## H. 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** and the **Insureds** agree that you will act on their behalf.

## I. 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 the **Insured's** rights of recovery. You and the **Insureds** will execute all required papers and do everything necessary to secure and preserve such rights.

## J. Alteration and Assignment

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

## K. Territory

Coverage under this **Policy** will extend to **Wrongful Employment Practices** and **Third-Party Discrimination** taking place and **Claims** made anywhere in the world.

## L. Action Against Underwriters

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

## M. Arbitration

It is agreed that any dispute, controversy, or claim arising out of or relating to this **Policy** or its breach, termination, or invalidity, will be submitted either: 1. to final and binding arbitration; or 2. 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. 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.

## N. Service of Suit

In the event that any non-binding mediation selected by the **Insured** in accordance with Section V.M does not resolve disputes arising out of or related to this **Policy**, we agree, at your request or 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 Section V.N 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 8 of the Declarations, and that in such suit instituted against any of the Underwriters of this **Policy**, we 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 8 of the Declarations is authorized and directed to accept service of process on our behalf 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 our 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 therefore, we hereby 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 hereby designate the firm shown under Item 8 of the Declarations as the firm to whom the said officer is authorized to mail such process.

## O. Changes in Exposure

1. If, during the **Policy Period**, the total number of your **Employees** increases by more than 50% as a result of your merger(s) with or acquisition(s) of any other entity, the **Insured Company** must give us notice of such increase as soon as practicable but in any event within ninety (90) days. We will be entitled to impose such amended coverage terms and adjust the premium as we may require.
2. Neither death, bankruptcy nor insolvency of any **Insured**, nor dissolution of the **Insured Company**, will relieve us of any obligations under the **Policy**.
3. If, during the **Policy Period**, you acquire 50% or more ownership in an organization and the number of acquired employees exceeds 50% of the total number of the **Insured Company's Employees** as of the inception date of this Policy then that organization shall be considered an **Insured Subsidiary** but only if you give us notice of such acquisition as soon as practicable but in any event within ninety (90) days after such acquisition. Coverage for such **Insured Subsidiary** shall only apply to **Loss**, including **Defense Costs**, arising from **Wrongful Employment Practices** and **Third Party Discrimination** taking place after the merger or acquisition.
4. If, during the **Policy Period**, you merge with another entity such that you are no longer the surviving entity or if more than 50% of your outstanding securities representing the present right to vote for the election of directors is acquired by any person or entity, this **Policy** will continue until its natural Expiration Date as set forth in Item 2(b) of the Declarations but only with respect to any **Wrongful Employment Practices** and **Third Party Discrimination** committed before the date of the merger or acquisition.

**P. 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 annual premium charged for the non-renewed or cancelled **Policy**, to an extension of the coverage available under this **Policy** for a period of twelve (12) months following the effective date of such non-renewal or cancellation, or 120% for a twenty-four (24) month extension, or 140% for a thirty-six (36) month extension, but only with respect to **Claims** otherwise covered by this **Policy** and only for **Wrongful Employment Practices** or **Third-Party Discrimination** 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.

**Q. 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.

**R. 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.

**S. Liberalization Clause**

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.

**ARCH INTERMEDIARIES LTD.**

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

**I. DECLARATIONS**

**II. EMPLOYMENT PRACTICES LIABILITY INSURANCE**

**Insurance is provided by:** **POLICY** «POLICY\_»  
**NUMBER:**

Various Insurers as per attached **Renewal of:** «Renewal\_of»  
Schedule

**NOTICE: THIS IS A CLAIMS MADE POLICY THAT APPLIES, SUBJECT TO ITS TERMS, ONLY TO “CLAIMS” FIRST MADE DURING THE “POLICY PERIOD,” OR, IF PURCHASED, ANY EXTENDED REPORTING PERIOD, AND REPORTED WITHIN THE SPECIFIED TIME. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED BY “DEFENSE COSTS” AND “DEFENSE COSTS” WILL BE APPLIED AGAINST THE SELF-INSURED RETENTION. THESE DECLARATIONS, THE COMPLETED, SIGNED APPLICATION, AND THE POLICY WITH ENDORSEMENTS SHALL CONSTITUTE THE CONTRACT BETWEEN THE UNDERWRITERS AND THE INSURED.**

**ITEM 1. Name:** EMPLOYMENT PRACTICES RISK MANAGEMENT ASSOCIATION (EPRMA)

**Member:** «INSURED\_COMPANY\_NAME»  
«INSURED\_ADDRESS»,

**Address:** «INSURED\_CITY», «INSURED\_STATE\_ABB», «INSURED\_ZIP»

**ITEM 2. POLICY PERIOD:**

(a) **Inception Date:** «PERIOD\_FROM»

(b) **Expiration Date:** «PERIOD\_TO»

at 12.01 a.m. both dates at the Principal Address in ITEM 1

**ITEM 3. LIMIT OF LIABILITY (inclusive of Defense Costs):**

(a) «LIMIT\_» Maximum Limit of Liability for each Claim.

(b) «M\_3rd\_Party\_Limit» Third-Party Discrimination Limit of Liability.

(c) «Punitive\_Limit» Punitive, exemplary, and multiple damages Limit of Liability.

(d) «Agg\_Limit» Maximum aggregate Limit of Liability for all Claims

(e) «Defense\_Only\_Limit» Defense-Only Limit of Liability.

**ITEM 4. SELF-INSURED RETENTION:**

«**Deductible**» Each and every Claim

**ITEM 5. PRIOR AND PENDING DATE: «PPDate»**

**ITEM 6. PREMIUM:**

«**gross\_premium**» Premium

**ITEM 7. AUTHORIZED REPRESENTATIVES:**

Jeff Hirsch, Kissel, Pesce, Hirsch & Wilmer, LLP,  
580 White Plains Road,  
Tarrytown,  
New York, NY, 10591  
[jhirsch@kphwlaw.com](mailto:jhirsch@kphwlaw.com)  
(914) 750-5933 (phone)  
(914) 750-5922 (fax)

**ITEM 8. SERVICE OF SUIT:**

Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829,  
U.S.A

**Dated:** July 20, 2007

CERTIFICATE NUMBER:

ATTACHING TO MASTER POLICY NUMBER:

HEREON: 100%

SECURITY: CERTAIN UNDERWRITERS AT LLOYD'S

---

22.00%            AFB    623

78.00%            AFB    2623

100.00%