

First Monetary Mutual Limited

Headquarters: 22 Queen Street, Hamilton Bermuda HM11

Special Institution Affiliated Party (“IAP”) Program **Membership & Insurance Information – As At November 2014**

Executive Summary

The purpose of this report is to provide a detailed overview of the key concepts, operating issues and related aspects relative to Membership in FM's Institution Affiliated Program ("IAP"):

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- A. The Company
- B. Ownership and Voting
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SECTION 1

A. The Company

First Monetary Mutual Limited (“FM”) is a **non-assessable** mutual company organized under the laws of Bermuda in 1986. FM is licensed and regulated by the [Bermuda Monetary Authority](#) (“BMA”). FM holds a class 2 license; major provisions of a Class 2 license include:

Multi-owner captives that are defined as insurance companies owned by unrelated entities, provided that the captive underwrites only the risks of the owners and affiliates of the owners and/or risks related to or arising out of the business or operations of the owners and affiliates.

A Class 2 license also applies to single-parent and multi-owner captives writing no more than 20 percent of net premiums from risks which are not related to, or arising out of, the business or operations of their owners and affiliates.

Class 2 insurers are required to maintain minimum capital and surplus of \$250,000.

- Because IAP policyholders are FM Members, the IAP program does not impact FM’s class 2 license – specifically, the 20% not related provision would not be applicable.

FM **does not** maintain offices in the United States. It maintains its books and records, holds its Annual Shareholders meeting and undertakes all management functions outside of the United States. FM’s mailing address is 22 Queen Street, Hamilton, HM 11 Bermuda. The facsimile number is 441.295.5444 and the telephone number is 441.295.5425. The current web site is <http://firstmonetary.com>. A new web address will be implemented attendant to the launch of the IAP program: <http://firstmonetary.co.uk/> -- This is a company web address for the UK.

B. Ownership and Voting

FM is owned by its Members. Each “**Bank**” Member is entitled to cast one vote at each Annual or Special General Meeting of Members.

IAP policyholders are “**Individual**” Members and do not have voting rights.

C. Distributions

Each **Institution** Member is entitled to share, in accordance with its proportionate share of FM's net worth, in any net profits of FM which may be paid as a distribution.

Institution Members are not entitled to receive distributions declared **subsequent to the termination of their membership**.

IAP Members will not share in distributions as they do not have a capital position in FM.

FM has continuously paid dividends for the past seven years.

D. IAP Eligibility

The IAP program:

1. Is available only to IAPs of Member Banks.
2. FM may extend the IAP program to non-Member Banks in NY and PA
3. FM will consider providing the coverage to IAP's located in additional states in 2016.

E. IAP Insurance Coverage

FM adapted its D&O policy to reintroduce provisions for Civil Money Penalties (“CMP”) in compliance with FDIC regulations. FM's D&O policy will meet regulatory requirements by virtue of the fact that it will be issued to the IAP directly (a bank director, officer or employee) rather than to the bank to which they are affiliated.

Here is a cursory outline of the proposed IAP policy:

1. Part One of the IAP policy coverage will provide excess D&O coverage in excess of the Member Bank's primary program; and
2. Part Two of the IAP policy coverage will provide primary protection (subject to policy terms and conditions) for certain CMP claims and will be issued directly to the IAP.

F. Resources to Pay Claims

FM is funded by the Reserve Premiums and the premiums paid by its Members, the investment income earned thereon, and **any reinsurance FM it is able to obtain.**

FM secured reinsurance from Lloyds of London effective 1 May 2014 under the same broad terms and conditions for the bank D&O program as the expiring contract, with cost held to the identical \$65K level paid last year

Additionally, FM secured reinsurance coverage for the new IAP program at no additional cost to the Company. Under the 2014 treaty, FM will retain the first \$100,000 of loss exposure in the aggregate and Lloyds will reinsure the next \$250,000 of losses. This very positive development means FM has minimized its risk of loss to \$100,000 in the unlikely event the following loss experience develops during the year:

NUMBER OF CLAIMS	\$ AMOUNT
35	\$10,000
17	\$20,000
12	\$30,000

FM reassumes the risk of loss in excess of the \$250k layer provided by Lloyds.

G. Claim Notification Process

Claims will be processed through the FM website. The Member will complete an electronic claim form and appended relevant documentation. The web site will automatically acknowledge receipt of the submission. FM will formally acknowledge receipt of the claim in seven (7) days.

H. New York & Pennsylvania Insurance Regulatory Considerations

The insurance laws of New York & Pennsylvania regulate the placing of insurance by unlicensed foreign insurers within the state.

FM is a Bermuda insurance company that is not licensed to do business in NY or PA.

FM received guidance from the Regulatory agencies in NY (1986) and PA (2000) relative to the accepted procedure for providing FM's D&O product to banks in their respective States. Essentially, FM's activities are designed to assure the policy is purchased and **also delivered in Bermuda.**

FM uses a Power of Attorney to effect delivery of the original policy:

First Monetary Mutual Limited

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that _____
(the "Insured"), hereby constitutes and appoints Carol Bray, Esq. and such partners of
Appleby Corporate Services as are designated by her, jointly and severally, as true and
lawful agents and attorneys for the Insured.

Said agents and attorneys may, in the name place and stead of said Insured, accept deliv-
ery of the Civil Money Penalties Policy, Policy # (to be assigned) to be issued to the insured by Firs-
t Monetary Mutual Limited, ("Insurer") in the form attached hereto, all as fully said insur-
ed could do if present and acting. Said Insured hereby ratifies all that said agents and att-
orneys shall lawfully do by virtue of any of these presents, the foregoing Power of
Attorney to remain in full force and effect until notice or revocation in writing is duly
given to First Monetary Mutual Limited, 22 Queen Street, Hamilton HM 11, Bermuda.

IN WITNESS WHEREOF, said Insured has caused these presents to be signed, certified by

Insured - Member

Name Title

Signed Date

The Member's policy is delivered to Bermuda Counsel in accordance with the executed power of attorney. A copy is provided through the firstmonetary.co.uk website (Please see section L)

FM conducts its activities so as to conform to the applicable requirements of the state's laws. NY and PA impose a premium tax (approximately 3.6%) on insured's obtaining insurance from unlicensed foreign insurers. The premium rates established by FM do not include any premium taxes. Each Member is responsible for payment of such tax under any applicable law and for paying such taxes as may be due. To assist the Member, FM will provide a completed CT-33-D Tax (NYS) and RTC-122 (PA) on Premiums Paid or Payable to an Unauthorized Insurer.

FM will also provide Non-Admitted Carrier Disclosure Notices to the Member Insured:

- **NEW YORK**

"THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE DEPARTMENT OF FINANCIAL SERVICES PERTAINING TO POLICY FORMS

- **PENNSYLVANIA**

The insurer which has issued this insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is NOT covered by the Pennsylvania Property and Casualty Insurance Guaranty Association. (40 P.S. § 991.1612)

I. United States Federal and State Banking Regulatory Considerations

FM has as Members both Federally-chartered and State-chartered financial institutions.

1. FM obtained confirmation from the Federal regulators to the effect that Federally-chartered institutions are empowered to become Members of FM.
2. FM obtained confirmation from the New York State Banking Department to the effect that State-chartered S&Ls and BKs are empowered to become Members of FM.
3. In response to an inquiry from special counsel Shumaker Williams, P.C., the Commonwealth of Pennsylvania Insurance Department issued a favorable ruling on 3 December, 1999 for First Monetary to do business in the Commonwealth of Pennsylvania for the limited purpose of providing coverage for association members.

J. IAP Premiums

The annual premiums paid by a Member will be determined by FM and are based primarily upon the limit purchased with underwriting factors applied accordingly. The following table details the first year cost and limits:

LIMIT	PREMIUM
\$10,000	\$ 100
\$20,000	\$ 200
\$30,000	\$ 300

K. IAP Application Process and Policy Delivery Procedure

Each prospective IAP Member will be required to submit to the Company a form combining its application for membership and insurance through the FM firstmonetary.co.uk web site.

A prospective Member will receive an email notification and TXT (if cell phone information is provided) indicating the underwriting decision. If the Member is accepted, insurance coverage and Membership will be bound without payment for five days. During the five day period, the Member must remit premium payment or coverage will automatically terminate.

If payment is received by FM, the Member will receive a second email notification and TXT that advising them a copy of the policy and applicable tax forms are available for downloading. The original policy will simultaneously be delivered to Appleby in accordance with the Member's executed power of attorney. Delivery of the policy to Appleby will be made on FM's e-board.com site.

L. Service Providers

Principal Service providers include:

1. Appleby Services acts as Bermuda legal counsel.
2. Baker & McKenzie provides advice & services with respect to U.S. issues.
3. Butterfield Bank provides banking and merchant account services
4. KPMG actuaries are responsible for claim review and case reserve certification.
5. Insurance Brokerage & Management Co. Ltd is responsible for accounting and tax reporting, treasury, Bermuda regulatory compliance, audit coordination and preparation of statutory financial statements.
6. Lloyds of London provides treaty reinsurance.
7. Mazars conducts the annual audit with the objective of expressing an opinion on the company's financial statements, audits the statutory Bermuda regulatory return and reviews the schedule of net worth calculation U.S. tax return.
8. Rex Wyon Services, Inc. acts as insurance consultant to FMML providing advice with respect to wording of the policies, type of coverage provided, policy issuance, claims coordination, annual meeting planning and coordination, EDP services and information regarding financial institutions.
9. Shumaker Williams, P.C acts as special counsel, functioning on a broad range of legal matters, including regulatory, insurance and RESPA issues.

M. Bank Member Reserve Premium

At the time of application, each **Institution** Member is required to make an initial one time only Reserve Premium contribution equal to 50% of the Member's estimated first year annual premium for its D&O coverage.

The **minimum reserve premium contribution is \$2,500.**

A member is entitled to the return of reserve premium if the policy is canceled. Such reserve premiums shall be returned upon written request without earnings or interest and only to the extent it has not been used to exhaust losses of the company. The remaining shares are reallocated to members of the Company. The reserve premium is payable within 180 days following the policy's termination **but not earlier than four years after inception of the member's uninterrupted coverage.**

N. IAP Reserve Premium Contribution

An IAP Member ***will not*** be required to make a reserve capital contribution due to the minimum \$2,500 capital contribution. As an offset to the \$0 reserve contribution provision, IAP's will not vote.

Risk Factors

1. **Historical Operations & Loss Experience:** The IAP, Institution Affiliate Program concept is newly-formed in 2014 and there is no history of commercial operations in this area. **It is possible that loss settlements could exceed premium revenues.**

2. **Competition from Established Insurance Carriers:** While there is no competition in the IAP market at the present time, FM is in direct competition with other insurance carriers that offer Institution D&O coverage, all of whom have substantially greater resources at their disposal.

3. **Commercial Reinsurance Availability:** The Company's financial stability and claims paying capability largely depends on its ability to obtain commercial reinsurance.
 - FM secured a one year reinsurance treaty with Lloyds of London at favorable terms and conditions.

4. **Regulatory Risks:** FM is a Bermuda insurance company that is not licensed to do business in NY or PA.
 - FM has received guidance from NY and PA Insurance Departments relative to the appropriate operational procedures for regulatory purposes. FM has followed the prescribed procedures for 29 years without issue.
 - The IAP policy is not a new insurance product. The Company is not expanding its business into a new line. The only change proposed as part of the IAP rollout would involve a change in the policy's payer provision. In the case of Part Two coverage, this would be identified as the IAP in lieu of the Member Bank.
 - FM will provide the required tax form in behalf of the Member
 - FM will provide disclosure on each policy indicating the Company's non-admitted status

BYE-LAWS
OF
FIRST MONETARY MUTUAL LIMITED

INTEPRETATION

1. In these Bye-Laws the following expressions shall where the context so admits have the following respective meanings:

"Bermuda" means the Islands of Bermuda.

"Board" means the Board of Directors of the Company.

"Bye-laws" means any bye-law of the Company from time to time in force.

"Chairman", "President", "Vice President", and "Treasurer" mean, respectively, the officers of the Company having such titles.

"Company" means First Monetary Mutual Limited.

"Companies Act" means the Companies Act, 1981, as from time to time amended, and every statute substituted therefor and, in the case of such substitution, references in the Bye-laws of the Company to provisions of the Companies Act shall be read as references to the substituted provisions therefor in the new statute or statutes.

"Directors" means the members of the Board for the time being.

"IAP" (i.e. Institution Affiliated Party) means any director, officer, or employee of any national bank, state bank, federal branch and federal and state savings institutions registered in the U.S.A.

"IAP Policy" means policy issued to an IAP by the Company

"In writing" and "written" shall also include printing, lithography, photography and other modes of representing or reproducing works in visible form.

"May" shall be construed as permissive.

"Members" means at any stated time all the persons who are then Bank Members and IAP Members as defined in bye-law 3.

"Membership" means all the rights, privileges, duties and obligations of a person who is then a

Member.

"Month" means calendar month.

"Notice" means written notice unless otherwise specifically stated.

"Register of Members" means the Register of Members of the Company for the time being maintained by the Company.

"Reserve Fund" means a sum of two hundred and fifty thousand dollars as required by the Memorandum of Association of the Company and such sums as the Board shall add thereto.

"Seal" means the Common Seal of the Company.

"Secretary" means the person appointed to perform the duties of the Secretary of the Company.

"Shall" shall be construed as imperative.

"Year" means the calendar year unless otherwise specifically stated.

The singular includes the plural and the plural includes the singular; the masculine gender includes the feminine and the neuter genders; the word "person" includes bodies corporate, companies, partnerships, syndicates, trusts and any association of persons; the word "individual" means a natural person.

MEMBERSHIP

2. The Company shall consist of an unlimited number of Members.
3. (a) Every person shall be a Bank Member:
 - (i) whose application for Membership in the Company has been accepted by the Directors; and
 - (ii) who is insured by the Company provided all premiums due to the Company for such insurance coverage have been paid.
- (b) Every person shall be an IAP Member:
 - (i) whose application for Membership in the Company has been accepted by the Directors; and
 - (ii) who is insured by the Company under an IAP Policy provided all premiums due

to the Company for such IAP Policy have been paid.

- (c) Any person becoming a Member pursuant to paragraph (a) and (b) of this bye-law, shall continue to be a Member as long as such Member is insured by the Company, unless his Membership has been terminated pursuant to bye-law 7.
 - (d) The name and address of each Member and the date on which each person became a Member shall be entered in the Register of Members and maintained therein until one year after the date such Member ceases to be a Member.
 - (e) Every Director and Provisional Director of the Company shall be a Member.
4. In the case of application for Membership pursuant to paragraph (c) of bye-law 3:
- (a) Any person that meets the underwriting standards established by the Directors shall be eligible for Membership.
 - (b) All applications for Membership shall require the approval of the Directors. Any applicant whose application is rejected by the Directors may appeal the decision to the next Annual General Meeting of Members and the action taken at that time shall be final and binding on all parties concerned. Applications for Membership shall be in such form as the Directors may from time to time determine.
5. INTENTIONALLY OMMITTED
6. Membership shall not be transferable or transmissible except in the event a Member is merged, consolidated or substantially all of its assets are sold to another company. In such cases, the Board may, in its discretion if it wishes to insure the successor company, permit transfer of Membership to the successor company provided such company also becomes a Member, meets the underwriting standards of the Company and assumes all of the obligations of its predecessor.

TERMINATION OF MEMBERSHIP

7. A Member shall ipso facto cease to be a Member:
- (i) if, being a corporation, it be wound up or dissolved; or
 - (ii) if the Member's insurance policy with the Company is cancelled, terminated or not renewed for any reason whatsoever.

MEETING OF MEMBERS

8. The Annual General Meeting of the Company shall be held once in every calendar year in Bermuda or elsewhere at a time and place to be fixed from time to time by the Directors.

9. Notice in writing of each Annual General Meeting of the Company shall be given by an officer of the Company by mail, telex or cable to each Member at his address as shown in the Register of Members. All such notices shall be sent not less than thirty (30) days before the respective Annual General Meeting is to convene, stating the date, place, time and as far as practicable the objects of the meeting and, if it be the case, that the election of Directors will take place thereat.
10. The Board or any two Directors or the President may convene a Special General Meeting of the Company upon at least ten (10) days notice from the date notice is sent or transmitted to each Member by mail, telex or cable to his address shown in the Register of Members or given by telephone if subsequently confirmed in writing. Such notice shall state the time, date, place and objects of such Special General Meeting, which may be held either in Bermuda or elsewhere.
11. Annual and Special General Meetings may be duly held upon short notice if all Members entitled to attend and vote thereat are present or represented, and agree to such short notice.
12. Bank Members holding not less than ten percent of the outstanding votes (as determined in accordance with bye-law 15) shall at all times have the right by written requisition to the Board or the Chairman or the Secretary to require a Special General Meeting for the transaction of any business specified in such requisition. Such requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company. The Directors shall proceed duly to convene a meeting within twenty-one (21) days of the requisition.
13. The chairman of an Annual or Special General Meeting or of a meeting of the Directors may with the consent of those present, and shall if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

VOTING AT MEETINGS OF MEMBERS

14. IAP Members shall not be entitled to vote.
15. (a) At any Annual or Special General Meeting, each Bank Member shall be entitled to one vote.

(b) In the event there is held, directly or indirectly, an interest by (i) one Bank Member in another Bank Member, (ii) two or more Bank Members in any other enterprise, or (iii) any other enterprise in two or more Bank Members or in the event paragraph (a) hereof does not specifically apply to a Bank Member, then the Directors may determine the voting entitlement of such Bank Members on such basis as the Directors deem equitable.

16. At any Annual or Special General Meeting, Members holding not less than fifty percent (50%) of the outstanding votes (as determined in accordance with bye-law 15), represented in person or by proxy, shall form a quorum for the transaction of business.
17. Votes may be given in person or by proxy.
18. An instrument appointing a proxy shall be in writing, under the hand of the appointor or his attorney, and if such appointor is a corporation or mutual association, the proxy shall be executed on behalf of the corporation or mutual association by one of its officers. The instrument appointing a proxy shall be in the form attached hereto and made a part hereof, or in such other form as the Directors may from time to time determine. A person who is appointed as a proxy need not be a Member.
19. The instrument appointing a proxy shall be left with the Secretary at least twelve hours before the holding of the Annual or Special General Meeting or an adjournment thereof, as the case may be, at which the person named in such instrument proposes to vote.
20.
 - (a) Subject to the provisions of paragraph (b) hereof, all questions proposed for consideration by the Members at any Annual or Special General Meeting shall be determined by a majority of votes of those present or represented by proxy. All questions shall be decided on a show of hands, unless a ballot is demanded by at least a majority of the votes present or represented by proxy at such meeting. At any Annual or Special General Meeting, unless a matter is determined by ballot, a declaration by the chairman of that meeting that a resolution has been carried and an entry made to that effect in the minutes of the meeting shall be sufficient evidence of the fact. In case of an equality of votes the motion shall be lost.
 - (b) Any question proposed for consideration by the Members in an Annual or Special General Meeting which relates to any of the following matters shall be determined by two-thirds of the outstanding votes:
 - (i) the election and removal of Directors;
 - (ii) the revocation, alteration, amendment or addition of or to these Bye-Laws; and
 - (iii) the reversal of the Directors' rejection of any application for Membership; and
 - (iv) the Reserve Fund.

DIRECTORS

21. The number of the Directors shall be at least five and not more than fifteen, as the Directors may from time to time determine.

22. Any person may be appointed or elected a Director.
23. Each vacancy on the Board may be filled by a person who is chosen or elected at an Annual or Special General Meeting. Each person chosen or elected by the Members at an annual General Meeting shall hold office until the next Annual General Meeting following the meeting at which they were chosen or elected, or until their successor is chosen or elected. Each person chosen or elected by the Members at a Special General Meeting shall hold office for a term to be specified by the Members, such term not to extend beyond the fifth Annual General Meeting following the meeting at which they were chosen or elected, or until their successor is chosen or elected. The office of a Director shall ipso facto be vacated if, by notice to the Company, he resigns his office or he ceases to be a Member of the Company.
24.
 - (a) The business of the Company shall be managed by the Directors, who, in addition to the powers and authorities granted by these Bye-Laws or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in Annual or Special General Meetings, subject nevertheless to the provisions of the Companies Act and of these Bye-Laws.
 - (b) Without prejudice to the generality of the foregoing, the Directors may exercise all of the powers of the Company and may:
 - (i) borrow money, mortgage or charge its undertaking or property or any part thereof, or issue debentures or securities;
 - (ii) fix and change criteria, procedures and regulations for the establishment of the rates of premiums (including retrospective premium adjustments), the rates to be covered and any other terms or provisions to be included in insurance policies issued from time to time by the Company; and
 - (iii) fix and change the financial year of the Company.
25. The Directors shall exercise general supervision over the affairs of the Company and without limitation of the foregoing they shall be responsible for the correct keeping of the books and for the safekeeping of all moneys, securities and other assets of the Company and shall submit their books, accounts and vouchers to the auditors whenever required so to do and shall furnish such information and explanation to the auditors as may be necessary for the performance of their duties.
26. The Directors may appoint among their number an Executive Committee of Directors and such other committees as the Directors may deem appropriate. The Directors may delegate to such committees any of the powers of the Directors.
27. So long as a quorum of Directors remains in office, the Directors shall have the power from

time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board, who shall hold office until the next election of the Directors and, so long as a quorum of Directors remains in office, the continuing Directors may act, notwithstanding any vacancy in their number. If there is not a quorum of Directors in office at any given time, a Special General Meeting shall be held as soon as practicable to fill all vacancies on the Board.

28. (a) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorize a Director or his firm to act as auditor to the Company.
- (b) A Director shall not as a Director vote, nor shall he be counted in the quorum present upon a motion, in respect of any contract, matter or arrangement which he shall make with the Company or in which he is interested and if he does so his vote shall not be counted.
29. The remuneration, if any, of the Directors shall from time to time be determined by the Members in an Annual or Special General Meeting. In addition, the Directors shall be paid for travel, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or Annual or Special General Meetings or in connection with the business of the Company.
30. A quorum necessary for the transaction of the business of the Board shall be two Directors.
31. Questions arising at any meeting of the Directors shall be decided by a majority of those Directors present who are entitled to vote. In the case of equality of votes, the motion shall be lost.
32. The Secretary on requisition of a Director shall and, at any time, a Director may summon a meeting of the Directors upon at least three (3) days notice, which notice may be by telephone or otherwise.
33. Meetings of the Directors may be held without notice if all Directors are present.
34. Where all the Directors present at or participating in the meeting have consented thereto, any Director may participate in a meeting of the Board of Directors by means of conference telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and a Director participating in such a meeting by such means is deemed for the purposes of the Companies Act and this By-Law to be present at the meeting. If a majority of the Directors participating in such a meeting is then in Bermuda, the meeting shall be deemed to have been held in Bermuda.
35. A resolution in writing signed by three fourths of the Directors shall be valid and as effectual as if it had been passed by a meeting of the Directors duly called and constituted.

36. The Members may at any Annual or Special General Meeting, convened and held in accordance with the By-Laws, remove a Director. The notice of any such meeting shall contain a statement of the intention so to do and notice of any such meeting shall be served on the Director concerned not less than fourteen days before the meeting, and at any such meeting such Director shall be entitled to be heard on the matter of his removal. Nothing in these Bye-Laws shall have the effect to deprive any person of any compensation or damages which may be payable to him in respect to the termination of his appointment as a Director or of any other appointment with the Company. A vacancy upon the Board created by the removal of a Director under the provisions of this bye-law may be filled by election by the Members at the meeting at which such Director is removed or, in the absence of such election, there will be deemed to be a vacancy which may be filled in accordance with the provisions of bye-law 27.

MINUTES

37. (a) The Directors shall cause minutes to be duly entered in books provided for the purpose of recording:
- (i) all elections and appointments of officers;
 - (ii) the names of Directors present at each meeting of the Directors;
 - (iii) all orders made by the Directors; and
 - (v) all resolutions and proceedings of each Annual and Special General Meeting of the Members and of meetings of the Directors.
- (b) Such minutes shall be signed by the persons presiding over the proceedings or over the proceedings at which the minutes are approved, and shall be kept at the registered office of the Company. They shall be open for inspection without charge by any Member for not less than two hours during business hours each day. A copy of the minutes shall be furnished within seven days upon request of any Member.

OFFICERS

38. The officers of the Company shall consist of a Chairman, a President, a Secretary and such other officers as the Directors may from time to time determine.
39. The Chairman and the President shall be appointed or elected by the Directors from among their number.
40. The Directors shall appoint a Chairman, a President a Secretary and a Treasurer as soon as convenient after each election of Directors or upon the occurrence of a vacancy in office. Other officers may be appointed as the Directors may from time to time determine. All of such officers shall hold their office during the pleasure of the Directors.

41. The Directors may from time to time, entrust to and confer upon the officers and upon committees of the Board's members such of the powers exercisable by the Directors as they think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and they may from time to time revoke, withdraw, alter or vary all of such powers.
42. The same person may hold two or more offices in the Company, except no person may hold the offices of President and Secretary at the same time.
43. The Chairman shall act as chairman at all Annual or Special General Meetings of the Members or meetings of the Board at which he is present. In the Chairman's absence, the President, if present, shall act as chairman and in the absence of both of them, a chairman shall be appointed or elected by those present at such meeting.
44. The Secretary or an Assistant Secretary, if there be one, shall keep or cause to be kept correct minutes of all Annual or Special General Meetings and meetings of the Directors and shall enter such minutes in proper books provided for the purpose. They shall perform such other duties as are prescribed by the Companies Act or these Bye-Laws or as shall be prescribed by the Directors from time to time.
45. The Treasurer, or an Assistant Treasurer if there be one, shall keep or cause to be kept full and accurate accounts of the receipts and disbursements, sales and purchases, and assets and liabilities of the Company and shall enter such in proper books provided for the purpose. The Treasurer shall perform such other duties as are prescribed by these Bye-Laws, or as shall be prescribed by the Directors from time to time.
46. Any officer may resign upon written notice to the Company effective at the time specified therein or at the time sent if not so specified.
47. The duties of all other officers who may be appointed shall be those which their engagement calls for or the Board requires of them.

DETERMINATION OF MEMBER'S INTEREST IN NET WORTH AND DISTRIBUTIONS

48. The Company shall maintain a separate account for each Member so long as such person remains a Member.

DETERMINATION OF IAP MEMBER'S INTEREST IN NET WORTH AND DISTRIBUTIONS

49. IAP Members shall not share in the income or loss of the Company.

DETERMINATION OF BANK MEMBER'S INTEREST IN NET WORTH AND DISTRIBUTIONS

50. (a) As of the end of each year ("current year"), the account of each Bank Member shall be credited or debited with the following amounts:
- (i) the Bank Member's share of the Company's underwriting income or loss for the current year for each line of business, such share to be calculated in the ratio ("premium ratio") of the premium for the current year paid to the Company by such Bank Member for each line of business over all premium for the current year paid to the Company for each line of business by all persons who are then Bank Members;
 - (ii) the Bank Member's share of any income or loss of the Company for the current year (other than underwriting income or loss), such share to be calculated in the ratio of
 - (A) the sum of the average closing balances at the end of each quarter during the current year of:
 - (1) the Bank Member's account prior to any year end adjustment pursuant to this bye-law 50(a);
 - plus
 - (2) the Bank Member's share of the Company's loss reserves for losses occurring in previous years (such share of each previous year's reserves to be calculated in the Bank Member's premium ratio for such year);
 - plus
 - (3) the difference for each quarter between (i) the premium payments made by the Bank Member for the current year and (ii) the Bank Member's share of the underwriting expenses and losses for the current year to date actually paid by the Company (such share to be calculated in the Bank Member's premium ratio for such year to date)
 - over
 - (B) the sum of the amounts determined under (A) above for all persons who are then Bank Members.
- (b) The difference for each quarter between (i) the premium payment, made by each IAP Member for the current year, and (ii) the IAP Member's share of the underwriting expenses and loses for the current year to date actually paid by the Company will be paid to each Bank Member's account (such share to be calculated in the Bank

Member's premium ratio for such year to date).

- (c) The amount of any distributions paid to a Bank Member shall be debited to such Bank Member's account at the time of payment.
- (d) In the event that Membership of any Bank Member is terminated in accordance with bye-law 7 the amount in the account of such Bank Member (if positive in amount) shall be divided among all those who are Bank Members immediately after such termination in proportion to the amount in their accounts (if positive in amount) at the end of the year prior to such termination or, if terminated at the end of the year, at such time. The total of the terminated Bank Members' balances as of December 31, 1992 shall be allocated among the continuing Bank Members as of December 31, 1992 in the proportion that each continuing Bank Member's balance as of December 31, 1992 bears to the total of the continuing Bank Members' balance as of December 31, 1992. After December 31, 1999, the amount in the account of any Bank Member terminated in accordance with Bye-law 7 (if positive in amount), shall be kept in a contingency fund (the "Contingency Reserve Fund") and used by the Company in accordance with Bye-law 52(b).
- (e) The income and loss from underwriting and from investments shall be computed in conformity with generally accepted accounting principles, consistently applied; provided, however, that no deduction shall be made for any distributions paid or declared to Members; and any adjustment in the amount of a loss occurring in a previous year shall not be reflected in the underwriting income or earnings of the Company for the current year, but shall be debited or credited, at the time of the adjustment, to the accounts of the current Members in their premium ratio for the year in which the loss occurred.
- (f) In the event that it becomes necessary to determine the amount in the Bank Members' accounts on a date other than as of the end of the year, the above calculations, to the extent necessary, shall be made through such determination date and calculations at year end or at any later determination date during the year shall be based on the period since the previous determination date.
- (g) For the purposes of these Bye-Laws, the expression "Proportionate Share" of any Bank Member at any time shall mean the ratio determined by dividing:
 - (i) the amount then in such Bank Member's account by
 - (ii) the amount then in the account of all persons who are then Bank Members.

In calculating the "Proportionate Share" of any Bank Member, any accounts with negative balances shall not be considered.

- (h) Nothing contained in these Bye-Laws shall be interpreted as giving any Bank Member

any property interest in, or claim upon, the account of such Bank Member, the sole purpose of the accounts established hereby being for measurement of the Proportionate Share of any Bank Member.

- (i) For the purpose of determining a Bank Member's premium ratio under this bye-law 50, the term "premium for the current year paid to the Company" shall be deemed to include all premium, whether paid or not, if it is premium earned by the Company for such year.
- (j) For the purpose of bye-law 50(a)(ii), if for any Bank Member the sum of the amounts determined under bye-law 50(a)(ii)(A) is negative, then such sum shall be treated as zero for the purpose of allocating losses among Bank Members.

51. A Member will become entitled upon request to the return of its reserve premium in the event its policy terminates for any reason. Such reserve premium will be returned without earnings or interest and only to the extent it has not been used to absorb losses and expenses of the Company, including any reserves therefor. The reserve premium will be returned within one hundred and eighty (180) days following the policy's termination, but not earlier than four years after the inception of the Member's uninterrupted coverage with the Company which ended with the termination of the policy in question.

52. (a) Each Bank Member shall participate to the extent of his Proportionate Share of the net worth of the Company, in distribution made by the Company, in liquidation, to the Bank Members as a class. With respect to non-liquidating distributions made by the Company, each Bank Member shall share in the portion of the distribution deemed to be an "underwriting distribution" in proportion to its premium ratio for the current year with respect to all lines of business for which the Company had an underwriting profit for the current year and each Bank Member shall share in the portion of the distribution deemed to be a "non-underwriting distribution" to the extent of his Proportionate Share. The portion of each non-liquidating distribution deemed to be an "underwriting distribution" shall be determined by multiplying the amount of the non-liquidating distribution declared by the Company's Board of Directors by a fraction, the numerator of which is the net underwriting income of the Company for the current year and the denominator of which is the total net income of the Company for the current year. The balance of each non-liquidating distribution shall be deemed to be a "non-underwriting distribution."

(b) The Contingency Reserve Fund, referred to in bye-law 50(d), shall be used by the Company, as needed, to prevent the amount in any Bank Member's account as of any year end after December 31, 1999, from declining, except for distributions paid, below the amount in such account as of the immediately preceding year end. In the event that the amount of the Contingency Reserve Fund is inadequate to achieve this result, each Bank Member's account will be allocated a portion of the Contingency Reserve Fund based on its Proportionate Share, as defined in Bye-law 50(g). The Contingency

Reserve Fund shall be disregarded for purposes of calculating any Bank Member's interest in non-liquidating distributions, but shall be allocated among the Bank Members' accounts – to the extent of each Bank Member's Proportionate Share – immediately prior to any distribution in liquidation.

- (c) The net worth of the Company and each Bank Member's Proportionate Share shall be determined by the Company's auditor, whose determination shall be final and binding on all parties concerned. For purposes of such determination, such net worth shall not include any amounts set aside or deemed by the Directors to be properly set aside in any reserve.

PROFITS

- 53. The net profits of the Company shall be computed in accordance with generally accepted accounting principles and the disposal of such net profits shall be determined by the Directors; provided that all distributions made shall be subject to the provisions of bye-law 52. Provided that the Company shall only declare or pay a dividend or make any distribution from its profits if the Company is, or would after the payment be, able to pay any and all liabilities as they become due and is able to confirm that the realizable value of its assets are more than the aggregate of its liabilities.

ACCOUNTS

- 54. The Reserve Fund and any monies for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings may be invested in such investments as the Directors shall from time to time determine.
- 55. The Directors shall cause true accounts to be kept of all transactions of the Company in such manner as to show the assets and liabilities of the Company for the time being and the books of account shall at all times be kept at the office of the Company or at such place as the Directors may from time to time determine and shall always be open to the inspection of each of the Directors.
- 56. The Directors shall cause the accounts of the Company to be audited once at least in every financial year and a Financial Statement to be prepared by an independent representative of the Company. The Financial Statement shall include (i) a statement of the results of operations for the year, (ii) a statement of retained earnings or deficit, (iii) a balance sheet for the period; and (iv) such further information as may be required by the Companies Act or by these Bye-Laws. A copy of such Financial Statements shall be sent to each Bank Member at least seven days prior to the Annual General Meeting in each year.

AUDIT

- 57. At the Annual General Meeting, or at a subsequent Special General Meeting, an independent representative of the Bank Members shall be appointed as auditor of the accounts of the

Company and such auditor shall hold office until the close of the next Annual General Meeting, and, if an appointment is not so made, the auditor shall continue in office until a successor is appointed. Such auditor shall not be a Director or officer or Bank Member of the Company during his continuance in office. No person shall be appointed auditor, except in the case of an auditor already in office, unless notice of intention to nominate that person has been given at least fourteen days before the Annual General Meeting at which the appointment is proposed to be made.

58. The remuneration of the auditor shall be fixed by the Bank Members at the time of his appointment or subsequently, and they may delegate this duty to the Directors.
59. If the office of auditor becomes vacant or the auditor is incapable of performing his duties, the Directors shall, as early as practicable, convene a Special General Meeting to appoint an auditor to fill the vacancy or an acting auditor to act during the incapacity of the auditor.
60.
 - (a) The auditor shall examine such books, accounts and vouchers as may be necessary for the performance of his duties.
 - (b) The auditor shall be furnished with a list of all books kept by the Company and shall at all times have the right of access to the books, accounts and vouchers of the Company and shall be entitled to require from the Directors such information and explanation as may be necessary for the performance of his duties.
 - (c) The auditor shall make a report to the Bank Members of the accounts examined by him and on every Financial Statement laid before the Company in general meeting during his tenure of office and the report shall state: (i) whether or not he has obtained all the information and explanation he has required; (ii) whether in his opinion the Balance Sheet contained in the Financial Statement referred to in the report is properly drawn up so to present fairly the financial position of the Company and the results of its operations for the period under review according to the best of his information and the explanations given to him as shown by the books of the Company.
 - (d) The report of the auditor shall be read at the Annual or Special General Meeting at which the Financial Statement is submitted. Provided that, if all Bank Members and Directors of the Company agree, either in writing or at a general meeting, that in respect of a particular interval no auditor's report need be laid before a general meeting, then there shall be no obligation to lay a report for such period.
 - (e) The auditor shall conduct such special audits as the Directors shall from time to time require and shall report thereon to the Directors.
 - (f) The auditor shall be entitled to attend any Annual or Special General Meeting of the Company at which any accounts which have been examined or reported on by him are

to be laid before the Bank Members and to make any statements or explanations he may desire with respect to the accounts. Notices of every such meeting shall be given to the auditor in the manner prescribed for Bank Members.

NOTICES

61. A notice may be served by the Company on any Member or by any Member on the Company, except as otherwise designated in these Bye-Laws, either personally or by sending it through the post prepaid in an envelope addressed to such Member at his address shown by the Register of Members or to the Company at its office.
62. Any notice served by telex, cable or post shall be deemed to have been received by 12 noon (Bermuda Standard Time) on the date sent by telex, cable or post. An affidavit of the Chairman, any two Directors or the Secretary that the notice has been sent shall be sufficient evidence of the facts stated therein.
63. All notices being posted to addresses outside Bermuda shall so far as may be practicable be forwarded by Air Mail.

SEAL

64. The Directors shall provide for the safe custody of the Seal, which shall only be used by authority of the Board or the Executive Committee and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be counter-signed by the Secretary or by a second Director or by some other person appointed by the Board for the purpose, provided that the Secretary of the Company may affix the Seal of the Company over his signature only to any authenticated copies of these Bye-Laws, the minutes of all meetings or any other documents required to be authenticated by him.

ALTERATION OF BYE-LAWS

65. No revocation, alteration, amendment or addition of or to these Bye-Laws shall be effective unless or until it is approved by the Members, in a Special or Annual General Meeting in accordance with the provisions of paragraph (b) of bye-law 20.

FORM OF PROXY

66. The form of proxy attached hereto and made a part of these Bye-Laws shall be used, subject to such variations or alterations to meet the circumstances or particular cases, as may be necessary and as the Directors may approve.

INDEMNIFICATION

67. The Directors, Secretary and other officers and employees for the time being of the Company and each Member of any duly constituted committee of the Board and the liquidator or

trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safety custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any person in respect of any matter in which such person is finally adjudged guilty of wilful negligence, wilful default, fraud or dishonesty; provided further that the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not create in itself a presumption that any person is guilty of wilful negligence, wilful default, fraud or dishonesty.

68. The Directors, Secretary and other officers and employees for the time being of the Company and each Member of any duly constituted committee of the Board and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of defending any proceedings (resulting from any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their respective offices or trusts), whether civil or criminal in which judgment is given in their favor or in which they are acquitted or when relief is granted to them by the Court under Section 281 of the Companies Act.
69. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the Directors, Secretary, officer, employees, committee member, liquidator or trustee to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Company as authorized in these Bye-Laws or otherwise pursuant to the laws of Bermuda.
70. Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director, Secretary, other officer, employee, committee member, liquidator or trustee on account of any action taken by such person or the

failure of such person to take any action in the performance of his duties with or for the Company provided that such waiver shall not extend to any matter in respect of which any wilful negligence, wilful default, fraud or dishonesty may attach to such person.

71. The indemnification provided by these Bye-Laws shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of Members or disinterested Directors or otherwise, both as to action in any official capacity and as to act in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Secretary, other officer, employee, committee member, liquidator or trustee, and shall inure to the benefit of the heirs, executors and administrators of such a person.
72. The amount of any indemnification or expense payment which is provided for under these Bye-Laws, to the extent such amount is unpaid, shall immediately attach as a lien on the property of the Company, and such lien shall have priority as among the Members over all other claims.
73. The obligations of the Company to indemnify and pay expenses under the provisions of these Bye-Laws shall not extend to any matter which would render such provisions void pursuant to the Companies Act.
74. Any indemnification under these Bye-Laws (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Director, Secretary or other officer or person or their respective heirs, executors or administrators is proper in the circumstances. Such determination shall be made (i) by a majority vote of the Directors who were not parties of such action, suit or proceeding, or (ii) if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested directors so directs supported by advice from independent legal counsel in a written opinion, or (iii) by the majority vote of the Members.

INSURANCE

75. The Company shall have the power to purchase and maintain insurance, at its expense, to protect itself and any person who is or was a Director, Secretary, officer, employee or agent of the Company (and every one of their heirs, executors and administrators), against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of these Bye-Laws.

INDIVIDUAL RESPONSIBILITY OF DIRECTORS

76. No Director or officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act in collusion, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to

any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office, unless the same happened through his own willful negligence, wilful default, fraud or dishonesty.

REGISTERED AND PRINCIPAL OFFICES

77. The registered office and principal office of the Company shall be situated in Bermuda.

FORM OF PROXY

The undersigned, a Member of First Monetary Mutual Limited (the "Company"), hereby appoints _____
_____ or _____ or _____

to be the undersigned's proxy, in the order named, to vote in behalf of the undersigned at any Annual or Special General Meeting of the Company. This proxy shall remain in effect until the undersigned (a) ceases to be a Member of the Company, or (b) revokes it by notice to the Secretary of the Company, or (c) executes and delivers a new proxy to the Secretary of the Company,

AS WITNESS the hand of the undersigned this _____ day of _____
_____, 19 _____

Name _____

By _____

(signature of
officer-title)

SIGNED BY
(Name of Member) in the presence of:

Witness

**The Bye-Law:
is amended to allow delivery
of documents electronically**

Delivery of notices and records electronically

- (1) It is proposed that the Company's Bye Laws be amended to provide for the delivery, or deemed delivery, of a notice or record electronically.
- (2) For the purposes of bye-law (1) above, "to provide" includes to send, forward, give, deliver, submit, file, deposit, furnish, issue, leave at, serve, circulate, lay, make available or lodge.
- (3) An electronic record of a document may be delivered to a person by communicating it by electronic means to the person at the email address or number that has been notified by the person for the purposes of communication by electronic means.
- (4) An electronic record of a document is deemed to have been delivered to a person if it is published on a website and —
 - (a) The person to whom the document is provided has agreed to have documents of that type provided by way of accessing them on a website instead of them being provided by other means;
 - (b) The document is a document of the type to which the agreement applies; and
 - (c) The person is notified in accordance with the agreement of the publication of the document on the website, the address of the website, the place on the website where the document may be found, and how the document may be accessed on the website.

First Monetary Mutual Limited

Headquarters: 22 Queen Street, Hamilton Bermuda HM11

Special Institution Affiliated Party (IAP) Program

Exclusively Designed for Community Bank

Directors, Trustees, Officers & Employees

A-Side Excess and Difference in Conditions Liability Insurance Policy

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First Monetary Mutual Limited

Headquarters: 22 Queen Street, Hamilton Bermuda HM11

Special Institution Affiliated Party (“IAP”) Program ***Exclusively Designed for Community Bankers***

Directors, Trustees, Officers & Employees **A-Side Excess and Difference in Conditions Liability Insurance Policy**

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to First Monetary Mutual Limited (a mutual insurance company, hereinafter called the Insurer), including the statements made in the Proposal Form, and subject to all other terms, conditions and limitations of this Policy, the Insured and Insurer agree:

Section I. Insuring Agreement

A. FOLLOW-FORM EXCESS NON-INDEMNIFIABLE LOSS COVERAGE

First Monetary’s Institution Affiliated Party (“IAP”) policy provides coverage for non-indemnified losses incurred by the named insured that is excess of the total underlying insurance limit offered by the institution identified on the declarations page to which the insured is or was an affiliated party.

Coverage under this Insuring Agreement shall be subject to the following terms and conditions of this Policy and shall not follow any inconsistent terms or conditions of the Primary Policy purchased by the institution listed in the declarations:

- (i) Section V. Section VI., Section VII. and Section VIII;
- (ii) Definitions of Policy Period, Underlying Insurer(s), Underlying Policy(ies), Primary Policy, and Total Underlying Limits.

In all other respects, this Policy shall provide coverage in accordance with the terms, conditions, exclusions and limitations of the Primary Policy(ies) as they were in existence on the inception date of the Policy Period or Discovery Period (if applicable).

B. UNINSURED NON-INDEMNIFIABLE LOSS AND D.I.C. COVERAGE

First Monetary’s Institution Affiliated Party (“IAP”) policy shall pay the Non-Indemnifiable Loss of the Insured, subject to the terms, conditions and exclusions of this Policy, arising from a Claim first made against such Insured during the Policy Period or Discovery Period (if applicable) for any Wrongful Act of such Insured, but only:

- (i) if the Underlying Insurer(s):

(a) refuses to pay loss under the Underlying Policy(ies) and either files an action to rescind the coverage for such Insured or otherwise provides written notification of intent to rescind, or

(b) wrongfully refuses to indemnify such Insured as required under the terms and conditions of the Underlying Policy(ies), or

(c) is financially unable to indemnify the Insured, or

(ii) according to the terms and conditions of the Underlying Policy(ies), the Underlying Insurer(s) is not liable for such portion of the Loss and such Claim.

No Bank or other entity is covered in any respect under this Policy.

C. FAILURE TO MAINTAIN UNDERLYNG INSURANCE PROVISION

First Monetary will pay a maximum of \$2,500 in the event the Institution identified on the declarations page fails to maintain an underlying director & officer insurance policy of not less than \$1,000,000 during the period covered by this policy unless the insured notifies First Monetary is notified within ten (10) days of becoming aware that coverage is not in effect.

Section II. Discovery Period

A. In the event the Insurer refuses to renew this Policy, the Insured Person shall have the right, upon payment of fifty percent (50%) of the annual premium, (or if the Policy Period is other than annual, fifty percent (50%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any Claim first made against any Insured during the period of three (3) months after the end of the Policy Period, but only with respect to any Wrongful Act committed or alleged to have been committed before the end of the Policy Period. This three (3) month period shall be referred to in this Policy as the Discovery Period.

B. As a condition precedent to the right to purchase the Discovery Period, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the Discovery Period must be provided to the Insurer no later than ten (10) days after the Policy Period terminates.

C. The fact that the coverage provided by this Policy may be extended by virtue of the purchase of the Discovery Period shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the Discovery Period is considered to be part of, and not in addition to, the Policy Period.

D. If the Discovery Period is purchased, the entire premium shall be deemed earned its commencement without any obligation by the Insurer to return any portion thereof.

Section III. Definitions

A. "Claim" shall mean:

- (1) a written demand for monetary or non-monetary relief made against the Insured and reported to the Insurer pursuant to Section VII.A.(1);
- (2) a civil, criminal, administrative, regulatory or arbitration proceeding made against any Insured and commenced by the service of a complaint or similar pleading, the return of an indictment or the receipt of filing of notice of charges; or
- (3) a civil, criminal, administrative or regulatory investigation of an Insured commenced by the receipt of notice in writing that a proceeding described in Section III.A.(2) may be commenced, or at the time a subpoena is served upon such Insured .

B. "Cleanup Costs" shall mean all legal and professional fees and expenses incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying, or assessing the effects of Pollutants.

C. "Company" shall mean the Corporation and any Subsidiary.

D. "Corporation" shall mean the entity named in Item 1 of the Declarations.

E. "Costs of Defense" shall mean reasonable and necessary legal fees, and costs incurred in the investigation, defense or appeal of any Claim, including the costs of an appeal bond, attachment bond or similar bond (but without obligation on the part of the Insurer to apply for or furnish such bonds); provided, however, Costs of Defense shall not include salaries, wages, overhead or benefit expenses associated with any Insured.

F. "Difference-in-Conditions (DIC)" insurance broadens coverage by providing additional limits of coverage for specific perils including Civil Money Penalties

G. "Directors" and "Officers" shall mean all persons who were, now are, or shall be directors and/or officers of the Institution including not-elected or appointed Personnel.

H. "Employment Practices Claim" shall mean any Claim brought by or on behalf of any past, present or future employee of the Company or Outside Entity, or any applicant for employment with the Company or Outside Entity alleging an Employment Practices Wrongful Act against an Insured.

I. "Employment Practices Wrongful Act" shall mean any of the following acts related to employment:

- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive, or breach of an implied employment contract;
- (2) employment related misrepresentation;
- (3) workplace harassment of any kind including sexual harassment;
- (4) discrimination;
- (5) wrongful failure to employ or promote;
- (6) wrongful discipline;

- (7) wrongful demotion or deprivation of career opportunity, including defamatory statements made in connection with an employee reference;
- (8) failure to grant tenure;
- (9) negligent evaluation;
- (10) failure to provide and enforce adequate workplace or employment policies and procedures;
- (11) wrongful retaliation; or
- (12) employment related libel, slander, defamation, or invasion of privacy.

J. "Financial Insolvency" shall mean the Company becoming a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator examiner or similar official to control, supervise, manage or liquidate the Company.

K. "Institution Affiliated Party" ("IAP") shall mean the director, trustee, officer or employee of an FDIC insured community bank depository institution listed in the declarations page.

L. "Loss" shall mean compensatory damages, punitive or exemplary damages, civil money fines or penalties, the multiple portion of any multiplied damage award, settlements, pre-judgment interest, post-judgment interest and Costs of Defense, provided, however, Loss shall not include taxes, or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed. It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.

M. "Non-Indemnifiable Loss" means Loss for which the Company is neither permitted nor required to indemnify an Insured or for which the Company has refused to indemnify an Insured; provided, however, that in the event the Company refuses to indemnify an Insured, Loss shall only be deemed Non-Indemnifiable Loss if such Insured complies with Section VIII H. Subrogation.

N. "Outside Entity" shall mean any not-for-profit entity.

O. "Policy Period" shall mean the period from the inception date of this Policy to the expiration date of this Policy as set forth in Item 2 of the Declarations, or its earlier termination if applicable.

P. "Pollutants" means any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including: smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and Waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

Q. "Primary Policy" shall mean all primary and excess D&O policies purchased by the institution that the Insured is or was an IAP

- R. "Related Wrongful Acts" shall mean Wrongful Acts which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- S. "Subsidiary" shall mean any entity in which the Corporation owns, directly or indirectly, more than fifty percent (50%) of the voting stock:
1. on or before the inception date of this Policy;
 2. subsequent to the inception date of this Policy by reason of being created or acquired by the Company after such date, if the entity's total assets do not exceed twenty-five percent (25%) of the total consolidated assets of the Corporation as of the inception date of this Policy; or
 3. subsequent to the inception date of this Policy by reason of being created or acquired by the Company other than as described in (2) above, if the Corporation, within ninety (90) days, provides the Insurer with written notice thereof and agrees to any premium adjustment and/or coverage revision that may be required by the Insurer.
- T. "Total Underlying Limits" shall mean the total amount of insurance provided by all Underlying Insurer(s)
- U. "Underlying Insurer(s)" shall mean the insurer(s) of each respective Underlying Policy.
- V. "Underlying Policy(ies)" shall mean the policy(ies) provided by the Underlying Insurer(s).
- W. "Wrongful Act" shall mean:
1. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty, or Employment Practices Wrongful Act, by any Insured in their capacity with the Company;
 2. any matter claimed against any Insured solely by reason of their status with the Company; or
 3. any matter claimed against any Insured arising out of their service as a director, officer, trustee or governor of an Outside Entity, but only if such service is at the request of the Company.

Section IV. Exclusions

Solely with respect to Insuring Agreement B, the Insurer shall not be liable to make any payment for Loss in connection with any Claim made against any Insured:

A. brought about or contributed to by:

1. any Insured gaining in fact of any profit, advantage or remuneration to which the insured was not legally entitled; or
2. the dishonest, fraudulent or criminal acts of any Insured or the willful violation of any statute, rule or law;

- a. Provided, however, this exclusion shall only apply if a judgment, final adjudication, alternative dispute resolution process or admission of any Insured Person establishes that such conduct in fact occurred. For the purpose of determining the applicability of the aforementioned Exclusion A., it is understood and agreed that the Wrongful Act of any Insured shall not be imputed to any other Insured;
- B. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any Wrongful Act or Related Wrongful Act or any fact, circumstance or situation which has been the subject of any notice or Claim given under any other policy of which this Policy is a renewal or replacement;
- C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving the Company and/or any Insured as of the date stated in Item 6 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
- D. for any actual or alleged:
 1. bodily injury, sickness, disease, or death of any person;
 2. damage to or destruction of any tangible property, including the loss of use thereof; or
 3. mental anguish or emotional distress, provided, however, part (3) of this exclusion shall not apply to a Employment Practices Claim covered under Section A FOLLOW-FORM EXCESS NON-INDEMNIFIABLE LOSS COVERAGE. It is also agreed that no coverage shall apply under Section B. UNINSURED NON-INDEMNIFIABLE LOSS AND D.I.C. COVERAGE.
- E. for any Wrongful Act of any Insured serving as a director, officer, trustee or governor of any entity other than the Company or an Outside Entity, even if directed or requested to serve as a director, officer, trustee or governor of such entity;
- F. by or on behalf of the Company, if brought by or with the solicitation, approval, assistance or participation of two or more persons each of whom at the time such Claim is brought is the President, Chief Executive Officer, Member of the Management board of a Limited Liability Company, Chief Financial Officer, Executive Vice President or in-house General Counsel of the Company however, this exclusion shall not apply to:
 1. any Claim brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the Company, if any, in the event of Financial Insolvency; or
 2. any Claim brought after another entity gains control of the Corporation through the ownership of more than fifty percent (50%) of the voting stock of the

Corporation, or the Corporation merges into another entity or consolidates with another entity such that the Corporation is not the surviving entity.

G. for Cleanup Costs;

H. for any Wrongful Act of any Subsidiary or the Insured of such Subsidiary or any entity that merges with the Company or the Insured of such entity that merges with the Company occurring:

1. prior to the date such entity became a Subsidiary or was merged with the Company;
2. subsequent to the date such entity became a Subsidiary or was merged with the Company which, together with a Wrongful Act occurring prior to the date such entity became a Subsidiary or was merged with the Company, would constitute Related Wrongful Acts; or
3. subsequent to the date the Corporation ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such Subsidiary;

I. which is insured in whole or in part by another valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise.

J. For claims brought by a Bond Insurance Company against any Insured for their dishonest, fraudulent or criminal acts.

Section V. Limit of Liability

The Limit of Liability stated in item 3 of the Declarations is the aggregate limit of the Insurer's liability for all Loss under Insuring Agreements A and B combined, arising out of all Claims first made against the Insured Person during the Policy Period and the Discovery Period (if applicable), and, solely with respect to Insuring Agreement A, excess of the Total Underlying Limits. The Limit of Liability for the Discovery Period (if applicable) shall be part of, and not in addition to, the Limit of Liability for the Policy Period. The Limit of Liability shall be the maximum aggregate Limit of Liability of the Insurer for the Policy Period, regardless of the time of payment or the number of Claims.

Solely with respect to Insuring Agreement A., it is expressly agreed that liability for any covered Non-Indemnifiable Loss with respect to Claims first made against the Insured during the Policy Period and the Discovery Period (if applicable) and reported in writing to the Insurer pursuant to the terms and conditions of this Policy shall attach to the Insurer only after the Underlying Insurers and the Insured or the Company have paid the full amount of the Total Underlying Limits, and the Company or the Insured have paid the full applicable Retention amount under any Underlying Policy. If the Total Underlying Limits are exhausted by reason of the Underlying Insurers and the Insured or the Company paying Loss covered thereunder, this Policy shall continue in force as primary insurance.

Section VI. Costs of Defense and Settlements

A. The Insured shall not incur Costs of Defense, or admit liability, offer to settle, or agree to any settlement in connection with any Claim without the express prior written consent of the Insurer, which consent shall not be unreasonably withheld. The Insured shall provide the Insurer with all information and particulars it may reasonably request in order to reach a decision as to such consent. Any Loss resulting from any admission of liability, agreement to settle, or Costs of Defense incurred prior to the Insurer's consent shall not be covered hereunder.

B. The Insured, and not the Insurer, have the duty to defend all Claims, provided that the Insured shall only retain counsel as is mutually agreed upon with the Insurer.

A \$1,000 deductible will apply to costs of defense.

Costs of Defense shall be part of, and not in addition to, the Limit of Liability stated in Item 3 of the Declarations, and such Costs of Defense shall serve to reduce the Limit of Liability.

C. The Insurer shall at all times have the right, but not the duty, to associate with the Insured in the investigation, defense or settlement of any Claim to which coverage under this Policy may apply.

D. If a Claim made against any Insured includes both covered and uncovered matters, the Insured and the Insurer recognize that there must be an allocation between insured and uninsured Loss. The Insured and the Insurer shall use their best efforts to agree upon a fair and proper allocation between insured and uninsured Loss.

E. The Insurer shall advance Costs of Defense prior to the final disposition of any Claim, provided such Claim is covered by this Policy. Any advancement shall be on the condition that:

(1) any amounts advanced by the Insurer shall serve to reduce the Limit of Liability stated in Item 3 of the Declarations to the extent they are not in fact repaid;

(2) the Insured and the Insurer have agreed upon the portion of the Costs of Defense attributable to covered Claims against the Insured; and

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(3) in the event it is finally established that the Insurer has no liability under the Policy for such Claim, the Insured Persons will repay the Insurer upon demand all Costs of Defense advanced by virtue of this provision.

Section VII. Notice of Claim

A. The Insured shall, as a condition precedent to their rights under this Policy, give the Insurer notice in writing of any Claim:

(1) as defined in Section III.A.(1) which is made during the Policy Period. Such notice shall be given prior to the end of the Policy Period;

(2) as defined in Sections III.A.(2) and (3) which is made during the Policy Period. Such notice shall be given as soon as practicable, but in no event later than ninety

(90) days after the end of the Policy Period.

The Insured failure to report a Claim pursuant to (1) above shall not negate the right to report a Claim pursuant to (2) or (3) above under this Policy or any renewal thereof.

B. If, during the Policy Period or Discovery Period, any Insured Person first becomes aware of a specific Wrongful Act and gives notice to the Insurer of:

- (1) the specific Wrongful Act;
- (2) the injury or damage which has or may result therefrom; and
- (3) the circumstances by which the Insured first became aware thereof;
then any Claim arising out of such Wrongful Act which is subsequently made against the Insured shall be deemed to have been made at the time the Insurer received such written notice from the Insured.

C. In addition to furnishing the notice as provided in Sections VII.A. or B. the Insured shall, as soon as practicable, furnish the Insurer with copies of reports, investigations, pleadings and other papers in connection therewith.

D. Notice to the Insurer as provided in Sections VII.A. or B. shall be given to:

FIRST MONETARY MUTUAL
22 Queen Street
Hamilton, HM11, Bermuda

Section VIII. General Conditions

A. Cancellation or Non-Renewal

- (1) The entire premium for this Policy shall be deemed earned in the event the Insured cancels this policy at any time during the policy period,
- (2) This Policy may only be canceled by First Monetary if the Insured does not pay the premium when due.
- (3) If First Monetary elects not to renew this Policy, we will provide the Insured with no less than thirty (30) days advance notice thereof.

B. Proposal Form

(1) It is agreed by the Corporation and the Insured that the particulars and statements contained in the Proposal Form(s), any information provided therewith and any public documents filed by the Company on the SEC's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR"), (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of the Policy. The Proposal Form and any information provided therewith shall be construed as a separate Proposal

Form for coverage by each Insured Person. There shall be no coverage for any Claim made with respect to any Insured who had knowledge, as of the effective date of the Policy Period, of any facts that were not truthfully and accurately disclosed in the Proposal Form. No statement in the Proposal Form or knowledge possessed by any one Insured Person shall be imputed to any other Insured for the purpose of determining the availability of coverage with respect to Claims made against any other Insured.

(2) This Policy shall not be rescinded by the Insurer in whole or in part for any reason.

(3) In the event that any provision of this Policy shall be declared or deemed invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portion of this Policy.

C. Action Against the Insurer

(1) No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the Insured Person's obligation to pay shall have been finally determined by adjudication against any Insured or by written agreement of the Insured, claimant and the Insurer.

(2) No person or organization shall have any right under this Policy to join the Insurer as a party to any Claim against any Insured nor shall the Insurer be impleaded by any Insured or their legal representative in any such Claim.

D. Merger or Acquisition

If, during the Policy Period, the Company acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed twenty-five percent (25%) of the assets of the Company as of the inception date of the Policy, written notice thereof shall be given to the Insurer as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the Insurer may request. Premium adjustment and coverage revisions shall be effected as may be required by the Insurer.

E. Conversion to Run-Off Coverage

If, during the Policy Period, a transaction occurs wherein another entity gains control of the Corporation through the ownership of more than fifty percent (50%) of the voting stock of the Corporation representing the present right to vote for election of a majority of the Board of Directors or members of the management board of a limited liability company, or the Corporation merges into another entity or consolidates with another entity such that the Corporation is not the surviving entity, then:

- (1) the Insured must give written notice of such transaction to the Insurer within ninety (90) days after the effective date of such transaction and provide the Insurer with such information in connection therewith as the Insurer may deem necessary and the Insured shall pay any additional premium required.
- (2) this Policy shall only apply to Wrongful Acts actually or allegedly committed on or before the effective date of such transaction;

- (3) the Insured may apply for coverage entire premium for this Policy shall be deemed earned as of the date of such transaction.

F. Outside Entity Provision

In the event a Claim is made against any Director or Officer arising out of their service as a director, officer, trustee or governor of an Outside Entity, coverage as may be afforded under this Policy shall be excess of any indemnification provided by the Outside Entity and any insurance provided to the Outside Entity which covers its directors, officers, trustees or governors.

G. Coverage Extensions

- (1) Spousal Provision The coverage provided by this Policy shall also apply to the lawful spouse of an Insured , but only for Claims arising out of any actual or alleged Wrongful Acts of an Insured .
- (2) Estates and Legal Representatives The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives or assigns of any Insured in the event of their death, incapacity or bankruptcy, but only for Claims arising out of any actual or alleged Wrongful Acts of any Insured.

H. Subrogation

In the event and to the extent of any payment under this Policy under Insuring Agreement A, the Insurer shall be entitled to any and all subrogation rights, privileges and protections afforded to the Insurer of the Primary Policy.

In the event of any payment under Insuring Agreement B, the Insurer shall be subrogated to the extent of such payment to all of each and every Company's and Insured Person's rights of recovery thereof, and each such Company and Insured shall execute all papers required and shall do everything that may be necessary (including without limitation, the assertion of indemnification or contribution rights) to secure such rights including the execution of any and all documents necessary to enable the Insurer to effectively bring suit in the name of each such Company and/or each such Insured. In no event, however, shall the Insurer exercise its rights of subrogation against an Insured under this Policy unless Section IV. Exclusions A. applies with regard to such Insured.

I. Related Wrongful Acts

More than one Claim involving the same Wrongful Act or Related Wrongful Acts of one or more Insured Persons shall be considered a single Claim. All such Claims constituting a single Claim shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such Claim was first made; or (2) the earliest date on which any such Wrongful Act or Related Wrongful Act was reported under this Policy or any other Policy providing similar coverage.

J. Arbitration

It is agreed that any disputes or disagreements which arise in connection with this Policy and cannot be resolved through negotiation shall be resolved through final and binding arbitration. The dispute shall be submitted to the American Arbitration Association for resolution pursuant to its then prevailing commercial arbitration procedures. The panel shall consist of one arbitrator selected by the Corporation, one arbitrator selected by the Insurer and a third independent arbitrator selected by the first two arbitrators. Each party will bear its own legal fees and expenses. The costs and expenses of the arbitration procedure shall be split equally by the parties.

K. Assignment

Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon.

L. Entire Agreement

By acceptance of this Policy, the Insured and the Insurer agree that this Policy (including the Declarations, Proposal Forms submitted to the Insurer and any information provided therewith) and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.

M. Insurance Regulatory Matters & Governing Law

Insurance is regulated by the individual states in the United States of America. Each state has an insurance commissioner that regulates the placing of insurance by unlicensed foreign insurers within the specific state.

First Monetary is a Bermuda based insurance company regulated by the Bermuda Monetary Authority and is not licensed to do business in the United States.

In view of the desirability of unified regulation, the parties agree that the terms of this policy shall determine their respective rights and duties and that this policy shall be construed and enforced in accordance with and governed by the internal law of the State named on the declarations page of the IAP's institution ---OR --- where the insured is domiciled.

New York and Pennsylvania impose a premium tax on insured's obtaining insurance from unlicensed foreign insurers; other States may also impose a similar premium tax. The premium rates established by the Company will not include any premium taxes.

First Monetary will endeavor to provide a completed tax form that includes the required reporting information. Each insured is required to pay such tax under any applicable law when due. Notwithstanding this effort, the insured is responsible for determining whether a tax owed and the amount due.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Regulatory Prohibition Against Payment of a Civil Money Penalty Claim

This policy is considered by the parties to be an honorable undertaking, the purpose of which is to provide financial protection that is not in violation of any United States banking law or regulation. Accordingly, it is hereby understood and agreed that the following additional policy provisions apply:

In the event any United States Banking Regulatory Agency prohibits payment of a claim made against the insured named in the Declarations under the terms of this policy as a result of a Civil Money Penalty enforcement action, (other than a Tier 3 violation as defined in the banking regulations), and after all appeal periods with respect to such regulatory action have expired, **First Monetary and the Insured agree this policy is void ab initio.**

In the event this policy is voided based solely on this endorsement, the parties further agree that the named insured shall receive the following return premium:

1. All Premiums paid under this policy plus
2. Monetary compensation equal to the lesser of five times all premiums paid or \$15,000

This policy does not cover any claims arising out of, based upon or attributable to Tier 3 violations as defined by any United States Banking Regulatory Agency. Accordingly, the Named Insured acknowledges and understands:

- In the event any United States Banking Regulatory Agency asserts a Tier 3 violation as defined in the banking regulations and the matter is adjudicated against the named insured or by agreement the named insured acknowledges the Regulatory Tier 3 assertion, First Monetary and the Insured agree this policy is void ab initio and the named insured shall not be entitled to any return premium or monetary compensation paid.

First Monetary Mutual Limited

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- In the event any United States Banking Regulatory Agency asserts a Tier 3 violation as defined in the banking regulations and the Regulatory agency prohibits payment of any claim under this policy, First Monetary and the Insured agree this policy is void ab initio and the named insured shall not be entitled to any return premium or monetary compensation paid.
- In the event any United States Banking Regulatory Agency asserts a Tier 3 violation as defined in the banking regulations and the proceeding is adjudicated by agreement wherein the Regulatory Agency consents that the Named Insured is settling the proceeding, without admitting or denying any violations of laws, regulations, any claim under this policy will be limited to ten (10%) percent of the coverage amount indicated on the declaration page of the policy not to exceed \$3,000.

In the event the Named insured waives the cancellation provisions of this endorsement in writing, First Monetary agrees to reinstate this policy without any lapse in coverage and with the mutual understanding and agreement that past, present and/or future CMP claims are not and will not be insured under the terms of this contract.

As used in this endorsement, a United States Banking Regulator includes Federal and State Agencies.

All other provisions of this policy remain unchanged.

First Monetary Mutual Limited

Hamilton, Bermuda

TABLE IS FOR DISCUSSION PURPOSES ONLY & IS NOT PART OF ENDORSEMENT

YEAR	Paid Premium	Five Times Paid Premium	Total Reimbursement
1	\$ 100	\$ 500	\$ 600
2	\$ 200	\$ 1,000	\$ 1,200
3	\$ 300	\$ 1,500	\$ 1,800
4	\$ 400	\$ 2,000	\$ 2,400
5	\$ 500	\$ 2,500	\$ 3,000
6	\$ 600	\$ 3,000	\$ 3,600
7	\$ 700	\$ 3,500	\$ 4,200
8	\$ 800	\$ 4,000	\$ 4,800
9	\$ 900	\$ 4,500	\$ 5,400
10	\$ 1,000	\$ 5,000	\$ 6,000

YEAR	Paid Premium	Five Times Paid Premium	Total Reimbursement
1	\$ 200	\$ 1,000	\$ 1,200
2	\$ 400	\$ 2,000	\$ 2,400
3	\$ 600	\$ 3,000	\$ 3,600
4	\$ 800	\$ 4,000	\$ 4,800
5	\$ 1,000	\$ 5,000	\$ 6,000
6	\$ 1,200	\$ 6,000	\$ 7,200
7	\$ 1,400	\$ 7,000	\$ 8,400
8	\$ 1,600	\$ 8,000	\$ 9,600
9	\$ 1,800	\$ 9,000	\$ 10,800
10	\$ 2,000	\$ 10,000	\$ 12,000

YEAR	Paid Premium	Five Times Paid Premium	Total Reimbursement
1	\$ 300	\$ 1,500	\$ 1,800
2	\$ 600	\$ 3,000	\$ 3,600
3	\$ 900	\$ 4,500	\$ 5,400
4	\$ 1,200	\$ 6,000	\$ 7,200
5	\$ 1,500	\$ 7,500	\$ 9,000
6	\$ 1,800	\$ 9,000	\$ 10,800
7	\$ 2,100	\$ 10,500	\$ 12,600
8	\$ 2,400	\$ 12,000	\$ 14,400
9	\$ 2,700	\$ 13,500	\$ 16,200
10	\$ 3,000	\$ 15,000	\$ 18,000