

EMPLOYMENT EVENT ENDORSEMENT

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the following is added to Coverage Section A., Employment Practices Liability Coverage Section:

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

We will also pay the **Employment Event Loss** incurred by the **Insured Company** solely with respect to an **Employment Event** first occurring during the **Policy Period**, or Extended Reporting Period if applicable, and reported in writing to our Authorized Representatives identified in the Declarations as soon as practicable but in no event later than sixty (60) days after the expiration of the **Policy Period** or the last day of the Extended Reporting Period if applicable, from first dollar, provided that the payment of **Employment Event Loss** shall not waive any of our rights under this Policy or at law. Coverage under this Employment Event Endorsement shall apply regardless of whether a **Claim** is ever made against an **Insured** arising from such **Employment Event** and, in the case where a **Claim** is made, regardless of whether the **Employment Event Loss** is incurred prior to or subsequent to the making of such **Claim**.

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

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

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

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

- (i) layoff/termination of 20% or greater of the **Insured Company’s** workforce;
- (ii) acquisition of an organization that necessitates a material change in employment status or terms of employment of 20% or greater of the **Insured Company’s** workforce;

- (iii) the public announcement in the media of allegations of discrimination or harassment implicating an executive officer of the **Insured Company**, or a **Claim** alleging a **Third Party Discrimination**;
- (iv) receipt by the **Insured Company** of notice that a civil rights organization, public interest group or similar organization is investigating the **Insured Company** for violations of state or federal employment laws or mass distributing literature that accuses the **Insured Company** of violations of state or federal employment laws;
- (v) a workplace disaster resulting in loss of life or the imminent threat of or actual use of a lethal weapon which occurs on the **Insured Company's** premises, including without limitation, flood, fire, or workplace violence, which involves discrimination

“Employment Event Loss” means reasonable fees and expenses charged by **Employment Advisor** in connection with:

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

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

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

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

Employment Event Sublimit: \$5,000

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

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