

**U.S. SPECIALTY INSURANCE COMPANY
HOUSTON, TX 77040**

**RESTAURANT RECOVERY INSURANCE
COMMON POLICY DECLARATIONS**

POLICY NUMBER:

Agent/Broker Name and Address: - as per attached endt. No. ___

Agent/Broker No:

1. Named Insured and Mailing Address:

1a. Policy Period: From: To:

At 12:01 a.m. Standard Time at mailing address of the named Insured above.

2. Insured Trade Name(s):

3. Location(s) to be Insured:

_____ (___) at inception of this policy. And as per the attached Schedule of Covered Locations Form RRI 1004 endorsement No ___

4. Limits of Liability:

<u>Coverage</u>	<u>Each Insured Event</u>	<u>Aggregate Limit</u>
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Section 1.1 - Accidental Contamination and Section 1.2 Malicious Tampering	USD	USD
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Section 1.3 - Product Extortion	USD	USD
Section 1.4 - Adverse Publicity	USD	USD

Policy Period Aggregate Limit (Overall aggregate irrespective of the number of Insured Events and related Consultants Fees)	USD	
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Shared Aggregate Limit of Liability	N/A	- as per attached endt. No. ___
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5a. Deductible: **USD** - as per attached endt. No. ___

5b. Waiting Period:

Loss of Gross Revenue for a period in excess of **Five (5)** days at each single restaurant location.

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POLICY NUMBER:

- 6. Co-Insurance:** 0.0%
- 7. Premium:** USD .00
Workplace Violence: USD .00 - as per attached endorsement No ____
TRIA @ 5.00% USD .00 - as per attached endorsement No ____

Total Premium: USD .00
- 8. Policy Territory:** USA - as per attached endorsement No ____
- 9. Insured Products:** All retail restaurant offerings served during the Policy period at any time at any of the Insured's Locations in the manner prescribed in the Application form signed and dated _____ and held on file with the Insurer.
- 10. Recall Costs:**
Sub-limit to: % of the limit in Section 1.1 and
- 11. Rehabilitation Expenses:**
Sub-limit to: % of the limit in Section 1.1 and 1.2
- 12. Loss of Gross Revenue:**
Sub-limit to: **USD** per Insured Event and in the annual Aggregate.
- 13. Loss of Gross Revenue:**
Limited to: _____ (____) months
- 14. Consultant and Advisor:** RQA Inc., and /or Fleishman Hillard - as per attached endt. No ____

Any sub-limit stated above does not increase the Limit of Liability as stated in Section 4.

What to do in a crisis?

Notification procedures

In the event of an incident that may be covered under the terms of the Policy, please contact the **24-hour Crisis Line** within 48 hours (as per notification procedures 6.20)

**24-hour Crisis Line
800 836 5826**

(Backup Number - 602 332 3586)

Our panel of consultants, who are available 24 hours a day 7 days a week on a priority basis, are:

The Acheson Group, to respond on food borne illness and contamination issues.

How to make a claim

Please provide formal written notice of loss (as per claim notification procedures 6.21) to:

Danielle Bouchard — dbouchard@hcc.com
HCC Specialty
37 Radio Circle Drive, Mount Kisco, New York, 10549, USA

NOTIFICATION OF A CLAIM OR CIRCUMSTANCE TO THE 24-HOUR CRISIS LINE DOES NOT CONSTITUTE A CLAIM OR NOTICE OF A CLAIM UNDER THE CERTIFICATE.

THE ROLE OF CRISIS CONSULTANTS IS LIMITED TO PROVIDING IMMEDIATE ASSISTANCE AND GUIDANCE TO THE ASSURED IN THE EVENT OF AN ACTUAL OR THREATENED INSURED EVENT. CONSULTANTS DO NOT HAVE THE AUTHORITY ON BEHALF OF UNDERWRITERS TO ADDRESS, BIND, ACKNOWLEDGE OR AGREE TO MATTERS OF COVERAGE OR THE APPLICATION OF CERTIFICATE TERMS AND CONDITIONS.

U.S. SPECIALTY INSURANCE COMPANY
RESTAURANT RECOVERY INSURANCE POLICY FORM - Policy No. ___

In consideration of the premium paid and in reliance on the representations made by the *Insured* in the application for this insurance, which is incorporated into and forms a part of this Policy. *Words or phrases that appear in italics are defined.*

U.S. Specialty Insurance Company herein called the *Insurer* agrees as follows:

1. INSURED EVENTS

The *Insurer* will reimburse the *Insured* for its Loss in excess of the Deductible, but not exceeding the limits or sub-limits of liability stated in the Declarations, caused by or resulting from any of the following *Insured Events* first discovered during the Policy Period and reported to the *Insurer*, in accordance with **6.20** Notice of an Incident, during the Policy Period or up to forty eight (48) hours after expiration of the Policy Period, provided that as of inception of this insurance the *Insured* was not aware and could not reasonably have been aware of circumstances which could lead to a potential claim or loss under this Policy of insurance.

1.1 ACCIDENTAL CONTAMINATION

Any accidental or unintentional contamination, impairment or mislabeling of an *Insured Product(s)*, which occurs during or as a result of its production, preparation, manufacture, packaging or distribution -- provided that the use or consumption of such *Insured Product(s)* has resulted in or would result in clear, identifiable, internal or external visible physical symptoms of bodily injury, sickness, disease or death of any person(s), within three hundred and sixty five (365) days following such consumption or use.

1.2 MALICIOUS TAMPERING

Any actual, alleged or threatened intentional, malicious, and wrongful alteration or contamination of the *Insured's Product(s)*, whether or not by an employee of the *Insured*, so as to render it unfit or dangerous for its intended use or consumption or to create such an impression with the public.

For the purposes of this clause and any applicable exclusions, "malicious" means; "circumstances where there is clear evidence that the person(s) committing the act or threat to alter or contaminate the *Insured Product(s)* has an intention to cause loss or damage to the *Insured* or *Insured Product(s)*, or where a person or persons use any such *Insured Product(s)* as a means to attempt to cause or actually cause bodily injury or property damage".

1.3 PRODUCT EXTORTION

Any threat or connected series of threats to commit a Malicious Tampering, for the purpose of demanding *Extortion Monies*, communicated to the *Insured*.

1.4 ADVERSE PUBLICITY

Any *Adverse Publicity* which is subsequently found to be baseless by reason of the absence of any physical evidence from any source whatsoever, that an Accidental Contamination (as per Section **1.1** above) has occurred.

For the avoidance of doubt, the *Insured* shall not be able to recover for *Adverse Publicity* under this Section (**1.4**) in circumstances where its Loss is within the scope of coverage provided by Section **1.1** Accidental Contamination.

2. LOSS

Loss under this Policy includes only the following reasonable and necessary expenses or costs incurred by the *Insured* directly and solely as the result of a covered *Insured Event* at any insured *Location* and subject to the limits of liability of each *Insured Event*. Except as otherwise provided with respect to Business Interruption and *Extortion Costs*, Loss is limited to expenses or costs incurred within twelve (12) months after the *Insured Event* first became known to the *Insured*. In no event will any amounts claimed and paid under one *Insured Event* be recoverable under another *Insured Event*.

For the avoidance of doubt and subject to the terms and conditions of this Policy, once the *Insured* has established that Accidental Contamination as defined in Section 1.1 has occurred, any Loss caused by or resulting from *Adverse Publicity* directly linked to that Accidental Contamination shall be recoverable as part of the Accidental Contamination Limit of Liability. Such Loss shall not be subject to the Limit of Liability applicable to Section 1.4 (*Adverse Publicity*).

2.1 INCIDENT EXPENSES

- i. Reasonable Fees and Expenses for the firm(s) and / or other advisor named in **Item 14** of the Declarations in responding to an *Insured Event*. The Deductible will not apply to such firm(s) in responding to an incident that may lead to an *Insured Event*.
- ii. Chemical analysis and / or physical examination in order to ascertain whether the *Insured Products* have been contaminated and / or to ascertain the potential effect of Malicious Tampering, Accidental Contamination or *Products Extortion*.

2.2 RECALL COSTS

The Sub-limit of liability for all such *Recall Costs* will be the amount stated in **Item 10.** of the Declarations. This does not increase the Limit of Liability as stated in the Declarations nor impose any additional Deductible on the *Insured*.

2.3 BUSINESS INTERRUPTION

Loss of Gross Revenue and *Extra Expense* provided that the *Insured* continues to incur such losses beyond the *Waiting Period*.

2.4 REHABILITATION EXPENSE

Reasonable and necessary expenses actually incurred directly by the *Insured* as a direct result of an *Insured Event* to re-establish the *Insured's Product(s)* to the reasonably projected level of sales or market share anticipated prior to the *Insured Event*. Rehabilitation Expense is limited to expenses incurred within twelve (12) months after the *Insured Event* first became known to the *Insured*.

The Sub-limit of liability for all such *Rehabilitation Expense* will be the amount stated in **Item 11.** of the Declarations. This does not increase the Limit of Liability as stated in the Declarations nor impose any additional Deductible on the *Insured*.

2.5 CONSULTANT AND ADVISOR COSTS

Fees and costs of the firm(s) and / or other advisor named in **Item 14.** of the Declarations; and or other independent security or public relations consultants or advisors hired to assist the *Insured* in responding to an *Insured Event*, provided that the *Insurer* has given its prior consent to the use of such independent companies. This section has no maximum limit. The stated Policy Deductible will not apply to these expenses.

2.6 EXTORTION COSTS

Extortion Costs paid in response to a demand made upon the *Insured* under threat to commit a Malicious Tampering.

3. DEFINITIONS

3.1 ADVERSE PUBLICITY means the reporting of an actual or alleged Accidental Contamination during the Policy period in local, regional or national media (including but not limited to radio, television, newspaper, magazines or the Internet) or any governmental publication provided that the *Insured Product(s)* or the products served at any restaurant under the same trade name as the *Insured* are specifically named.

3.2 COMPUTATION OF LOSS.

- a) In the event of any insured losses, detailed claims for payment by the *Insurer* shall be made by the *Insured* as soon as practicable and shall be accompanied by a computation of loss, which sets out in detail how the loss has been calculated and what assumptions have been made. The *Insured* shall produce any documentary evidence, books of account, bills, invoices and other vouchers and copies of the same which *Insurer* or their representatives, including forensic accountants, may require, and the *Insured* shall afford them every assistance in their investigations including reasonable access to the *Insured* premises, personnel and necessary documents for the purpose of the computation of loss.
- b) The *Insurer* shall determine the amount of any insured losses, less Deductible, taking into account any savings or recoveries or offsetting or make-up of losses which have been made or which the *Insured* could reasonably have been expected to make, and the ability of the *Insured* to resume operations.
- c) *Loss of Gross Revenue* shall be assessed by the *Insurer* based on an analysis of the restaurant sales of affected *Insured Products*, and other *Insured Products* which lost sales as a direct result of the *Insured Event*, during each month of the twelve months prior to the *Insured Event*, and taking into account:
 - i) the reasonable projection of the future profitability of such product(s) had no *Insured Event* occurred; and
 - ii) all material changes in market conditions of any nature whatsoever which would have affected the future marketing of and profits generated by the *Insured Products* or other affected *Insured Products*
- d) In determining the amount of any insured losses *Insurers* shall apply standard accounting principles as recognized by the relevant regulatory authorities in the *Insured's* jurisdiction. Where an *Insured* is present in more than one jurisdiction the relevant principles to be applied will be those of the jurisdiction in which the entity that has suffered the loss is based.
- e) Whether or not any partial payments have been made, a final statement of loss with respect to all items of Loss other than *Loss of Gross Revenue* must be submitted to the *Insurer* in writing no earlier than twelve (12) months and no later than twenty four (24) months after an *Insured Event* first becomes known to the *Insured*. A final statement of loss with respect to *Loss of Gross Revenue* must be submitted no later than twenty four (24) months after the beginning of a reduction in sales of the *Insured Product(s)* caused by an *Insured Event*.

Nothing in this clause shall be deemed to override the provisions of the Notice of Incident or the Notice of Claims clauses.

3.3 CORPORATE ACT OF THE INSURED means any deliberate activity including but not limited to any dishonest, willful, illegal, fraudulent, criminal or malicious act, which has been expressly or implicitly approved, condoned, ratified or endorsed by any two or more members of the *Insured's* Management and which results directly or indirectly in an *Insured Event* or Loss.

- (a) For the purpose of any activity which constitutes a *Corporate Act of the Insured*, *Insured's* Management means the *Insured's* past or present Chairman, Chief Executive Officer, President, Managing Director, any executive or non-executive Director of the *Insured* and any person who holds or has held an equivalent position or who has or had authority to make decisions about the operation or management of the *Insured's* business on behalf of the *Insured*.
- (b) For the purpose of any other reference to the *Insured's* Management herein, *Insured's* Management means in addition to those named in Definition (a) above any Department or Division of the *Insured* which shall include but not be limited to, any legal, compliance, risk management, internal audit or insurance Department or Division.

3.4 EXTORTION COSTS

- (i) *Extortion Monies* paid by the *Insured* as a direct result of a Product Extortion discovered during the Policy Period.
- (ii) In transit/delivery loss due to the destruction, disappearance, confiscation or wrongful appropriation of *Extortion Monies* while being handled or conveyed by anyone who is authorized by the *Insured* to have custody thereof; provided, however, that the Product Extortion which gave rise to the delivery is insured hereunder.
- (iii) Extortion expenses, which include any expenses incurred and paid by the *Insured* solely as a direct result of a Product Extortion provided that such Product Extortion is insured hereunder, including but not limited to:
 - a. the amount paid by the *Insured* as a *Reward* to an *Informant* for information relevant to an *Insured Event*;
 - b. interest costs for a loan from a financial institution made to the *Insured* for the purpose of paying *Extortion Monies*;
 - c. costs of travel and accommodations incurred by or on behalf of the *Insured* while attempting to negotiate a Product Extortion;
 - d. medical services and hospitalization costs incurred by any person(s) directly involved in the handling or negotiating of a Product Extortion and/or the handling of *Extortion Monies*, and paid by the *Insured* as the direct result of a Product Extortion within thirty six (36) months following the last credible extortion threat discovered during the Policy period, including but not limited to any costs for treatment by a neurologist or psychiatrist, costs for cosmetic surgery, and expense of confinement for such treatment;
 - e. fees and expenses of independent forensic analysts engaged by the *Insured*;
 - f. fees and expenses of a qualified interpreter assisting the *Insured* in connection with a Product Extortion;

- g. increased costs of security due to a Product Extortion including but not limited to hiring of security guards, hiring of armored vehicles, and overtime pay to existing security staff for a period of up to ninety (90) days, provided however that the firm(s) and / or other advisor named in **Item 14.** of the Declarations or other specialist consultant approved by the *Insurer* in writing has specifically recommended such security measures.
- 3.5 EXTORTION MONIES** means any monies which the *Insured* has paid or lost in transit under circumstances described in *Insured Event*, Section **1.3**. The term monies – as used herein – include cash, monetary instruments, bullion, or the fair market value of any securities, property or services.
- 3.6 EXTRA EXPENSE** means the excess of the total cost of conducting business activities during the period of time necessary to clean or repair the *Location* (owned or operated by the *Insured*) where the incident occurred for the sole purpose of reducing the Loss. This Policy only covers those extra expenses which are over and above the cost of such activities during the same period of time had no incident occurred. This may include but is not limited to the following:
- (i) The *Extra Expense* necessary to clean the machinery or *Location* involved in the contamination or handling of the contaminated product in order to recreate an environment in which safe products can be manufactured or handled.
 - (ii) The *Extra Expense* that may be required to maintain the salaries of the workforce to the extent required by statute or union or other work contract for a maximum period of six (6) months.
 - (iii) The cost to maintain a minimum work force at a minimal percentage of salary in order to be able to open the location without delay as soon as possible after a shutdown imposed by the Health, Safety, and Environmental (HSE) or Health Authority or other national or local governmental organization or body.
 - (iv) The increased cost of subcontracting some or all of the manufacturing process to a contract manufacturer for a period of time necessary to restore the *Insured's* facilities to a state in which products can be manufactured or handled safely.
 - (v) The expense of preventative inoculations, initial series vaccination and current testing for the *Insured's* employees or customers as a result of an *Insured event* at an *Insured's Location*.
- 3.7 INFORMANT** means any person, other than an *Insured* person(s), providing information not otherwise obtainable, in return for a *Reward* offered by the *Insured*.
- 3.8 INSURED** means the sole proprietorship, partnership, or corporation stated in Item 1 of the Declarations.
- 3.9 INSURED EVENT:** as per Section 1 and as defined under Sections **1.1, 1.2, 1.3** and **1.4**.
- 3.10 INSURER** U. S. Specialty Insurance Company
- 3.11 INSURED PRODUCT(S)** means all ingestible products for human consumption, or any of their ingredients or components, that have been reported to the *Insurer* on the application on file with the *Insurer* for the effective dates of this Policy or by addendum to such application and that are:
- a. in production; or
 - b. have been manufactured, handled or distributed by the *Insured*; or
 - c. manufactured by any contract manufacturer for the *Insured*; or

- d. being prepared for or are available for sale; or
- e. all ingestible products for human consumption served at any restaurant location operating under the same trade name as the *Insured*.

3.12 LOCATION shall mean the place or places of business of the *Insured* as reported to the *Insurer* on the application on file with the *Insurer* for the effective dates of this Policy, or subsequent new locations from *Organic Growth*, or acquisitions as per Section **6.2**, and where such locations' Loss of Gross Profit is negatively impacted directly and solely as a result of an *Insured Event*.

3.13 LOSS OF GROSS REVENUE means:

- a) the *Insured's* sales revenue as could have been reasonably projected immediately prior to the happening of an *Insured Event*, but which has been lost during a period not exceeding the number of months as stated in Item **13**. of the Declarations from the date of an *Insured Event* solely and directly as a result of that *Insured Event*, LESS:
- b) the variable costs that would have been incurred during the same period, but which have been saved as a result of not making those sales (including the cost of raw materials, and all other saved costs).

If during such period the *Loss of Gross Revenue* of the *Insured Product(s)* is offset by increased sales of another *Insured Product(s)* within the same product line as the affected product(s) claimed in the loss as a result of an *Insured Event* such offset will be considered to reduce the actual loss sustained.

Any *Loss of Gross Revenue* shall be computed in accordance with Section **3.2 Computation of Loss**

3.14 RECALL COSTS means any reasonable and necessary costs incurred by the *Insured* to inspect, withdraw, destroy or replace such affected *Insured Product(s)*. *Recall Costs* also include but are not limited to:

- (i) The cost of newspaper, magazine or any printed advertising, radio and television announcements or commercials, as well as the cost of correspondence, necessary to effect the recall.
- (ii) Essential transportation and accommodation costs directly attributable to the recall.
- (iii) The cost of hiring additional person(s), other than regular employees of the *Insured*, devoted exclusively to effect the recall of the *Insured Product(s)*.
- (iv) Overtime paid to regular employees of the *Insured* for work devoted exclusively to the recall.
- (v) The necessary out-of-pocket expenses of personnel under paragraphs (iii) and (iv) above, including transportation, incurred exclusively for the purpose of such recall.
- (vi) Expense of renting or hiring additional warehouse or storage space for the recall for a maximum period of twelve (12) months.
- (vii) Expense incurred in properly disposing of the unused packaging and point of purchase marketing material of recalled product if it cannot be used or reused.
- (viii) Inspection costs including the costs of chemical analysis or other such efforts to identify the cause(s) or potential effect of contamination.

- (ix) The actual cost of redistributing any recalled or restored product(s).
- (x) Cancellation fees for any advertising and/or promotion programs, which were scheduled but were unable to be executed solely because of an *Insured Event*.
- (xi) The cost of restoring the *Insured Product(s)* to merchantable quality or replacing any recalled *Insured Product(s)* that have been destroyed, are unsellable or are unfit for its original use, with product(s) of similar value.

3.15 REHABILITATION EXPENSE means the reasonable and necessary expenses incurred directly by the *Insured* as a direct result of an *Insured Event* to re-establish the *Insured's Product(s)* to the reasonably projected level of sales or market share anticipated prior to the *Insured Event*. Rehabilitation Expense is limited to expenses incurred within twelve (12) months after the *Insured Event* first became known to the *Insured*.

3.16 REWARD means monies offered for information in an effort to mitigate the Loss.

3.17 SUB-LIMIT means the maximum amount the *Insured* can collect under a specified section of this Policy.

3.18 SUPPLIER CONTAMINATION means Accidental Contamination or Malicious Tampering of ingredients or product(s) supplied to the *Insured*. The aforementioned ingredients or products include any such ingredients or products supplied to the *Insured* from an entity owned or operated by the *Insured*.

3.19 ACT OF TERRORISM means an act of actual, alleged or threatened, intentional, malicious and wrongful alteration or contamination of any product(s), not limited to *Insured Product(s)*, by an individual or group whose announced or apparent objective is to further purported political, social, and/or religious beliefs, and which is intended to:

- 1) put the public at large, or a section of the public, in fear; or
- 2) coerce or intimidate a government or individuals to modify their behavior or policies.

3.20 WAITING PERIOD means the number of consecutive days stated in the Declarations for which the *Insured* must incur *Loss of Gross Revenue* and/or *Extra Expense* at a *Location* before such losses in respect of that *Location* are covered by this Policy.

3.21 ORGANIC GROWTH means that coverage is automatically provided to new restaurant locations added after the Policy Period date at no additional premium provided such new location(s) were not declared by the *Insured* within thirty (30) days of the policy effective date. The additional location(s) shall be covered at no additional premium for the remaining Policy period. New location(s) to be added within thirty (30) days of the effective date of the policy shall be charged a pro-rated premium calculated at a rate of 1/365ths per day of the annual per location premium from the date of inclusion in the Policy to the remaining Policy Term.

4. EXCLUSIONS

This Policy of Insurance does not apply to any Loss arising out of, based upon, attributable to or consisting of, directly or indirectly:

- 4.1** Any Accidental Contamination or Malicious Tampering of a product of a competitor apart from those products served at a location with the same trade name as the *Insured*.
- 4.2** Any Accidental Contamination involving gradual deterioration, decomposition, or transformation of the chemical structure of the *Insured Product(s)*, or *Adverse Publicity* (or any publicity whatsoever) implying such, unless such deterioration, decomposition,

or transformation is a result of a sudden, identifiable event occurring at a specific time and location during the Policy period or was not likely to have been discovered by the *Insured* following its standard operating procedures.

- 4.3** Changes in population, customer tastes, economic conditions, seasonal sales variations, or competitive environment.
- 4.4** *Any Corporate Act of the Insured*
- 4.5** Any injury, damage, or claim made by a third party arising out of or in connection with the use or consumption of the *Insured Product(s)*. Costs or expenses of any litigation or any proceedings before any governmental body as a result of an *Insured Event* or otherwise. This includes any defense costs related to a third party lawsuit.
- 4.6** Intentional violation by the *Insured* of any governmental regulation in connection with the manufacture, sale, or distribution of any *Insured Product(s)* or from the use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- 4.7** Nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the *Insured Product(s)*, all whether controlled or uncontrolled, or resulting from any act or condition incident to any of the foregoing, whether such Loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by an *Insured Event* or otherwise.
- 4.8** Any proximate or remote consequence, whether direct or indirect, of war, invasion, hostilities (whether war declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.
- 4.9** Failure by any consumer of the product other than the *Insured* to adhere to procedures prescribed by the *Insured* regarding the storage, consumption, or use of an *Insured Product(s)*. This exclusion only applies to *Insured Event Section 1.1 - Accidental Contamination*.
- 4.10** Any Accidental Contamination arising out of:
- (i) Bioengineering, genetic engineering or genetic modification of any *Insured Product(s)*;
 - (ii) Hormone treatment of any *Insured Product(s)*;
 - (iii) Irradiation of any *Insured Product(s)*;
 - (iv) Transmissible Spongiform Encephalopathy's (TSE) including, Bovine Spongiform Encephalopathy (BSE) or Creutzfeldt-Jakob disease.
- 4.11** Any Accidental Contamination arising out of an *Insured Product* containing a carcinogen, regardless of whether such carcinogens are shown to have other non-carcinogenic effects. This exclusion shall not apply where the *Insured* can prove that such substance was not part of the *Insured Product* at the point where it was supplied to the restaurant.
- 4.12** Any Accidental Contamination that occurs after the *Insured* has actual or constructive knowledge of a defect or deviation in the production, preparation or manufacture of *Insured Product(s)*, or circumstance(s) which have or are likely to result in such deviation or defect, and fails to take reasonable corrective action.
- 4.13** Any Loss arising out of a change in governmental or health authority regulations with respect to the safety of any *Insured Product(s)* or intended ingredients.
- 4.14** An event, series of events or circumstance(s) of which an employee, officer or director of the *Insured* had actual or constructive knowledge prior to the Policy inception date.

- 4.15** An actual or alleged *Act of Terrorism*. This exclusion shall not apply where the *Insured* or an *Insured Product* is the direct target of the act or alleged *Act of Terrorism*.
- 4.16** Any compensatory damages, fines penalties, "punitive damages", exemplary or other non-compensatory damages imposed upon the *Insured* by third parties or governmental organizations/agencies. "Punitive damages" means damages that may be imposed to punish a wrongdoer and to deter others from similar conduct.
- 4.17** Any Accidental Contamination that occurs at a *Location* where at the time of the *Insured Event* no person or individual at the insured *Location* holds a recognized current Food Safety Certification where required by law or similar corporate supplied food safety training.
- 4.18** Any loss caused directly or indirectly, in whole or in part, by:
1. Any form of *Avian Influenza Viruses*;
 2. Any actual, threatened, predicted or perceived outbreak of *Avian Influenza Viruses*; or
 3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with *Avian Influenza Viruses*; or
 4. Any measures or actions undertaken, directed and/or recommended by any governmental or regulatory authority, or any other entity or natural person, with respect to *Avian Influenza Viruses* regardless of any other cause, event, material or product that contributed concurrently or in any sequence to or was accelerated by or results from the loss, injury, cost, damage, claim, expense, dispute and/or suit.

For the purposes of this exclusion, the term *Avian Influenza Viruses* includes:

- a. All avian flu or bird influenza viruses including any other nomenclature, scientific (e.g. AH5N1, AH5N2, AH7N1, A H9N2) or otherwise (e.g. "bird flu") devised or used to describe the viruses regardless of any genetic features or differences, subtype or strain, and whether or not partnered with any neuraminidase surface proteins; and any progression, mutation or recombination thereof, including but not limited to progression, mutation or recombination of any subtype or strain, and/or any changes in the antigenic composition thereof.
 - b. Any complications, infections, illnesses, or secondary or opportunistic diseases related to, or initiating because of, or occurring in conjunction with, or following *Avian Influenza Viruses*.
- 4.19** *Adverse Publicity* generated by any of the *Insured's* directors, officers or trustees.
- 4.20** The use of any counterfeit, fraudulent, or substandard ingredient or component of an *Insured Product* supplied to the *Insured* by any other party without malicious intent. This exclusion applies to section 1.2 - Malicious Tampering only.

5. PREMIUM PAYMENT TERMS

Payment to be remitted within thirty (30) days of the Policy inception date.

6. GENERAL CONDITIONS

6.1 ACTION AGAINST THE INSURER

No suit, action, or proceedings for recovery of any claim under Policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this Policy are

complied with and the same be commenced within twenty four (24) months after a final statement of loss has been submitted to the *Insurer* by the *Insured*.

6.2 ADDITIONAL EXPOSURES

The *Insured* will give the *Insurer* written notice as soon as practicable or permissible of any:

- (i) consolidation or merger with;
- (ii) acquisition of the majority stock ownership of; or
- (iii) acquisition of the assets of any other entity whose revenues are in excess of ten percent (10%) of the gross revenue of the *Insured* as of the date of consolidation, merger or acquisition.

Additional exposure such as is otherwise covered by this Policy resulting from any of the above will be covered automatically from the date of consolidation, merger or acquisition, as the case may be, but only until:

- a. the *Insurer* notifies the *Insured* in writing of his election to reject such additional exposure;
- b. the *Insured* and the *Insurer* agree new terms and conditions for the permanent cover of the additional exposure; or
- c. ninety (90) calendar days have elapsed, whichever occurs first.

No claim arising out of the additional exposure will be covered unless the *Insured*, at the time it gave notice thereof to the *Insurer*, did not know nor could reasonably have been expected to know of the *Insured Event* giving rise to the claim.

6.3 ASSISTANCE AND CO-OPERATION

The *Insured* will cooperate with the *Insurer* in all matters relating to this Insurance. This may include, but is not limited to, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

6.4 AUTHORIZATION CLAUSE

By acceptance of this Policy, the first *Insured* listed on the Declarations agrees to act on behalf of all other *Insured's* with respect to the giving and receiving of any return premiums that may become due under this Policy, the acceptance of endorsements, and the giving or receiving of any other notice provided for in this Policy; and all other *Insured's* agree that the first *Insured* listed on the Declarations will act on their behalf.

6.5 CALCULATION OF THE AMOUNT PAYABLE UNDER A SUB-LIMIT

Any amount payable for Loss under the *Sub-limit* pertaining to Section 2.3 of this Policy will be calculated as follows:

First the apportioned Deductible as calculated under Section 6.25 of this Policy will be subtracted from the applicable section of loss. Second, the applicable co-insurance will be applied to the balance. The amount payable thereafter will be the lesser of either the *Sub-limit* or the product of the co-insurance and the balance. No amount of loss will be paid in excess of the *Sub-limit*.

6.6 CANCELLATION

This Policy may be cancelled by the *Insured* by the surrender of this Policy to the *Insurer*, or by giving advance written notice to the *Insurer*, stating when thereafter such cancellation will be effective. This Policy may be cancelled by the *Insurer* by delivering to the *Insured* or by mailing to the *Insured* by registered or certified mail, at the *Insured's* Mailing address stated in Item 1 of the Declarations, written notice stating when, not less than one hundred and twenty (120) days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment of premium by the *Insured*, in which case the *Insurer* will provide at least fifteen (15) days written notice. The mailing of such notice will be sufficient proof of notice and this Policy will terminate at the date and hour specified in such notice.

If this Policy is cancelled by the *Insured*, the *Insurer* will retain the short rate portion of the premium hereon. If this Policy is cancelled by the *Insurer*, the *Insurer* will retain the pro-rata portion of the premium hereon. Payment or tender of any unearned premium by the *Insurer* will not be a condition precedent to the effectiveness of cancellation, but such payment will be made as soon as practicable.

6.7 CHANGES

Notice to any representative of the *Insurer* or knowledge possessed by any representative or by any person will not affect a waiver or a change in any part of this Policy or stop the *Insurer* from asserting any right under the terms of this Policy, nor can the terms of this Policy be waived or changed unless agreed to in writing by an authorized representative of the *Insurer*.

6.8 CHOICE OF LAW AND FORUM

The construction, validity and performance of this Policy will be governed by the laws of the country or state specified for the purpose in the Declarations. The *Insurer* and the *Insured* hereby expressly agree that all claims and disputes will be litigated in the court or courts specified for the purpose in **Item 8.** of the Declarations.

6.9 CO-INSURANCE

The *Insured* will bear the co-insurance amount stated in Item 6. of the Declarations of each covered Loss in excess of, and in addition to the Deductible under *Insured Event* Section 1.1, Accidental Contamination. The co-insurance amount will be calculated by multiplying the covered Loss in excess of the Deductible by the co-insurance amount. The *Insurer* will pay covered Loss in excess of the Deductible subject to the Limit of Liability stated under Item 4. of the Declarations after deduction of the co-insurance amount from the covered Loss.

6.10 CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD

Without prejudice to the *Insurer's* other rights, howsoever arising, this Policy is null and void in case of concealment, misrepresentation, non-disclosure, or fraud by any *Insured* of a material fact concerning:

1. this insurance or the procurement thereof; or
2. the *Insured Product(s)*, or the *Insured's* interest in the *Insured Product(s)*; or
3. any *Insured Event*, or any Loss or claim under this Policy.

6.11 CONFIDENTIALITY

The *Insured* will not disclose the existence of this Policy to any person or party whether within or outside the *Insured* except insofar as is required in order to comply with the terms of this Policy or by law.

6.12 DISCOVERY PERIOD

This Policy does not cover any Loss discovered later than forty eight (48) hours after the expiration of the Policy Period.

6.13 DUE DILIGENCE

The *Insured* will exercise due diligence to do all things reasonable and practical to avoid any happening or circumstances covered by this Policy and to make all reasonable efforts to mitigate any Loss arising as a result of an *Insured Event*.

6.14 EXAMINATION UNDER OATH

The *Insured*, as often as may reasonably be required, shall exhibit to any person designated by the *Insurer* all affected *Insured Product(s)* whether salvageable or otherwise, and shall submit to examinations under oath by any person named by the *Insurer*, and subscribe the same; and, as often as may reasonably be required, shall produce for examination all books of account, vouchers, bills, invoices, schedules, accounting information, and any documentation relating to the *Insured's* calculation of its Loss, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the *Insurer* or its representative, and shall permit extracts and copies thereof to be made.

6.15 EXCESS INSURANCE

The *Insured* may purchase other insurance over the Limit of Liability set forth in this Policy without prejudice to this Policy, provided that the *Insurer* is notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce the *Insurer's* liability under this Policy.

6.16 INSPECTION AND AUDIT

The *Insurer* may examine and audit the *Insured's* business documents relating to the subject matter of this insurance until three (3) years after this Policy has expired or has been cancelled. Any premium due for exposures which exist but were not reported will be determined through audit by the *Insurer*.

6.17 LIMITS OF LIABILITY

The *Insurer's* liability hereunder will be limited to the amounts stated in Item 4. of the Declarations.

6.18 NON-ACCUMULATION OF LIABILITY

Regardless of the number of years this Policy may continue in force, and of the number of premiums which may be payable or paid, or of any other circumstances whatsoever, the aggregate liability of the *Insurer* under this Policy with respect to any *Insured Event(s)* will not be cumulative from year to year or period to period. When there is more than one *Insured*, the aggregate Limit of Liability of the *Insurer* for Loss(es) sustained by any or all of them will not exceed the amount for which the *Insurer* would be liable if all Loss or losses were sustained by any one of them.

6.19 NON-ASSIGNMENT

This Policy may not be assigned or transferred without the written consent of the *Insurer*.

6.20 NOTICE OF AN INCIDENT

It is a condition of recovery under this Policy that upon discovery of a potential or actual event or incident which may give rise to an *Insured Event* that the *Insured* will make every reasonable effort to:

- (i) first, within 48 hours contact the **24-hour Crisis Line (as per notification procedures included herein)**; and, having given verbal notice under
- (i) determine whether an *Insured Event* has actually occurred.

NOTICE OF AN INCIDENT does not constitute **NOTICE OF A CLAIM** and does not satisfy the **NOTICE OF A CLAIM** requirements set forth in Section **6.21** herein.

6.21 NOTICE OF A CLAIM

It is a condition of recovery under this Policy that upon determination that an *Insured Event* has actually occurred under Section **6.20** above, the *Insured* shall give written notice to the *Insurer* (**as per notification procedures included herein**) within five (5) days of a director or officer of the *Insured* becoming aware of an *Insured Event* with periodic and timely updates concurrent with activity occurring during the incident; and if it appears to be in the best interest of the *Insured* or to be required by law, notify law enforcement authorities or any other governmental agencies having jurisdiction over the matter.

NOTICES: Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this Policy will be in writing and will be given to or made upon the Named *Insured* at the mailing address shown in Item **1**. on the Policy Declarations Page.

6.22 OTHER INSURANCE

The *Insured* may purchase other insurance written on the same terms and conditions as this Policy provided the *Co-insurance* and Deductible as described in Sections **6.9** and **6.25** herein remains uninsured. The insurance provided under this Policy will be primary in all instances except where a Kidnap and Ransom/Extortion policy is issued. The insurance will co-insure all losses where coverage is also provided by such Kidnap and Ransom/Extortion Policy or policies.

6.23 RECOVERIES

If the *Insured* shall sustain any Loss covered by this Policy, all recoveries (except from surety ship, insurance, reinsurance or indemnity taken by or for the benefit of the *Insurers*) on account of the Loss, less the actual cost of recovery, shall be distributed as follows:

The *Insured* shall be reimbursed for any Loss which exceeds the amount of coverage provided by this Policy less the Deductible amount, the balance applied to reimbursement of the *Insurers* to the extent of their Loss and any remainder paid to the *Insured*. If there is no excess Loss any such recoveries shall be distributed first in reimbursement to the *Insurers* to the extent of their Loss and any remainder paid to the *Insured*.

6.24 SALVAGE

Any salvage or other recovery, after expenses incurred in salvage or recoveries are deducted, will accrue entirely to the benefit of the *Insurer* until the sum paid by the *Insurer* has been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the *Insured*,

the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by the *Insured*. The goodwill and public image of the *Insured* will be considered in determining whether any *Insured Product(s)* should be involved in salvage recovery. The *Insurer's* right to salvage will not be unreasonably restricted by the *Insured*. The *Insured* will have full right to the possession of all goods involved in any Loss under this Policy and will retain control of all damaged goods. There can be no abandonment of any property to the *Insurer*.

6.25 DEDUCTIBLE

The Deductible(s) stated in **Item 5.a.** of the Declarations will apply separately to each and every Loss. The Deductible(s) is to be borne by the *Insured* and remain uninsured. The *Insurer* agrees to pay the amount by which any loss exceeds the Deductible up to the Policy Limit.

6.26 SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE

- (i) If any provision contained in this Policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this Policy.
- (ii) If any provision contained in this Policy can be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law.
- (iii) Any provisions of this Policy which are in conflict with the statutes or regulations of the state or country wherein this Policy is issued are hereby amended to conform to such statutes or regulations.

6.27 TERRITORY

This Policy applies to an *Insured Event* anywhere in the world:

- a. provided that the *Insured's* responsibility to pay damages is determined in a suit brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to; or
- b. unless specifically limited by the *Insurer* through endorsement or where prohibited by applicable Law.

6.28 VALUATION CLAUSE

In determining the amount of Gross Revenue, *Extra Expense* and other insured loss, such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in, or special circumstances affecting, the business either before or after the *Insured Event* so that the figures once adjusted shall represent as nearly as may be reasonably practicable the results, which but for the *Insured Event* would have been obtained during the period after the *Insured Event* during which the business has been affected.

6.29 SUBROGATION

In the event of any payment under this Policy, the *Insurer* will be subrogated to the extent of such payment to all the *Insured's* rights of recovery. In such case the *Insured* will execute all documents required and will do everything necessary to secure and preserve such rights including the executions of such documents necessary to enable the *Insurer* effectively to bring suit in the name of the *Insured*.

6.30 TITLES OF PARAGRAPHS

Titles of paragraphs are inserted solely for the convenience of reference and will not limit, expand, or otherwise affect the provisions to which they relate.

6.31 APPRAISAL

In case the *Insured* and *Insurers* shall fail to agree as to the amount of Loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty (20) days of such demand. The appraisers shall first select a competent and disinterested umpire; and, failing for fifteen (15) days to agree upon such umpire, on request of the *Insured* or *Insurers*, such umpire shall be selected by a judge of a court of record in the applicable jurisdiction. The appraisers shall then appraise the Loss, stating separately the amount of each item comprising the Loss and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with the Company shall determine the amount of the Loss. Each appraiser shall be paid by the party selecting him, and the expenses of appraisal and umpire shall be paid by the parties equally.

6.32 SUIT AGAINST THE COMPANY

No suit or action on this Policy for the recovery of any Loss shall be sustainable in any Court of law or equity unless the *Insured* shall have fully complied with all requirements of this Policy and unless commenced within twenty four (24) months after the *Insured* first had knowledge of, or should have had knowledge of an *Insured Event*.

U.S. SPECIALTY INSURANCE COMPANY
RESTAURANT RECOVERY INSURANCE

This endorsement effective on _____ - at 12:01 A.M. standard time,

forms a part of Policy No. _____

Date endorsement issued: _____

Endorsement number: _____

U.S. Terrorism Risk Insurance Act, as amended in 2015

Not Purchased Clause

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act, as amended in 2015" as summarized in the disclosure notice.

It is hereby noted that the Company has made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act, as amended in 2015" ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

U.S. SPECIALTY INSURANCE COMPANY
RESTAURANT RECOVERY INSURANCE

This endorsement effective on _____ at 12:01 A.M. standard time,

forms a part of Policy No. _____

Date endorsement issued: _____

Endorsement number: _____

U.S. Terrorism Risk Insurance Act, as amended in 2015

New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act, as amended in 2015", as summarized in the disclosure notice.

In consideration of an additional premium of \$ _____ USD Dollars paid, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the U.S. Terrorism Risk Insurance Act, as amended in 2015 (TRIA).

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiration date of the policy, whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

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

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

U.S. SPECIALTY INSURANCE COMPANY
RESTAURANT RECOVERY INSURANCE

This endorsement effective on _____ at 12:01 A.M. standard time,

forms a part of Policy No. _____

Date endorsement issued: _____

Endorsement number: _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

WORKPLACE VIOLENCE

In consideration of the premium charge of USD _____ it is hereby agreed that item 4., Limits of Liability of Page 1 of the Policy Declarations is amended to include the following:

Section 1.5 Workplace Violence

USD _____ Workplace Violence Sublimit of Indemnity per Affected Location.

USD _____ Aggregate Workplace Violence Sublimit of Indemnity for All Affected Locations.

USD _____ Deductible Each and Every Workplace Violence-per Affected Location (not applicable to Consultant and Advisor Costs).

_____ (___) Months Maximum Indemnity Period.

It is further agreed that **3.9** Insured Event shall be amended to include **1.5** Workplace Violence.

Insurer's maximum liability for coverages provided by this endorsement with respect to any Single Location arising from any one incident of Workplace Violence occurring during the Policy Period shall not exceed the Workplace Violence Sublimit of Indemnity set forth in this endorsement.

Notwithstanding the provisions of Sections **1.1** through Section **1.4** in **4.**, Limits of Liability on Page **1** of the Policy Declarations, the Insurer's maximum liability for coverages provided by this endorsement at all Affected Locations insured hereunder resulting from any one event of Workplace Violence shall not exceed The Aggregate Work-place Violence Sublimit of Indemnity for all Affected Locations and shall apply only to any amount in excess of any Deductible amount stated in this endorsement.

It is further agreed that, for the purposes of coverage provided by this endorsement, "Affected Location shall mean: "only the specific Location where Workplace Violence occurred."

It is further agreed that, for the purposes of coverage provided by this endorsement, Sublimit of Indemnity means:

1. "Business Interruption", pursuant to item **2.3** under **2.** Loss; and
2. "Consultant and Advisor Costs", pursuant to **2.5** under **2.** Loss.

U.S. SPECIALTY INSURANCE COMPANY
RESTAURANT RECOVERY INSURANCE

POLICY No. _____

Endorsement number: _____

It is further agreed that, for the purposes of coverage provided by this endorsement, "Workplace Violence" means:

1. "Any intentional and unlawful act of deadly force, or threat thereof, which has resulted in, or could result in, bodily injury or death which is directed specifically against the employees, customers, vendors or facility of a Location".

It is further agreed that Item **5. B. Waiting Period** on Page **2** of the Policy Declarations shall not apply to the coverage provided by this endorsement.

It is further agreed that limits provided by this endorsement shall not operate to increase the Policy Period Aggregate Limit as shown in Item **4. Limits of Liability** on Page **1** of the Policy Declarations; furthermore, the limits provided by this endorsement shall be part of the Policy Period Aggregate as shown in Item **4.**, Limits of Liability on Page **1** of the Policy Declarations.

This endorsement shall be subject to any and all other policy Definitions, Exclusions, and General Conditions.

All other Terms and Conditions remain unchanged.

U.S. SPECIALTY INSURANCE COMPANY
RESTAURANT RECOVERY INSURANCE

This endorsement effective on _____ at 12:01 A.M. standard time,

forms a part of Policy No. _____

Date endorsement issued: _____

Endorsement number: _____

SCHEDULE OF COVERED LOCATIONS

Insured Name(s): _____

Trade Name(s): _____

It is hereby understood and agreed that this Schedule of covered location(s) forms a part of Policy reference:-

_____ Effective: _____

Store #	Insured Trade Name	Address	City	State	Zip Code	Total # of Locations

All other terms and conditions remain unchanged.