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- SCAM EXCESS 934314
First State 1/1/83-1/1/84

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198.

FIRST STATE INSURANCE COMPANY

WILMINGTON, DELAWARE

Named Insured and Mailing Address

MAR 8 1983

SCM CORPORATION, ETAL. (See Endorsement)
299 Park Avenue

Pol. No. 934314
1-1-83/84.

Fifth Layer
\$25MM X \$49MM.
Participation 10MM.

This policy is made and accepted subject to the provisions and stipulations hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

C-139-1 10-76

GLD052125

0049-GLD-000052125

No. 934314

933211

Renewal of No.

DECLARATIONS — SPECIAL COVERAGE POLICY

STOCK COMPANY

FIRST STATE
INSURANCE COMPANY

WILMINGTON, DELAWARE

Administrative Offices: 60 Battery March Street, Boston, Massachusetts 02110

Named Insured and Mailing Address

SCM CORPORATION, ETAL. (See Endorsement #1)
299 Park Avenue
New York, New York 10171

Item 1. Policy Period: From January 1, 1983 To January 1, 1984

12:01 A.M., Standard Time at the address of the named Insured as stated herein.

Item 2. Premium: Advance Premium: \$10,000.
Rate: Flat

Minimum Premium: \$10,000.

If the Policy Period is more than one year and the premium is to be paid in installments, premium is payable on:

Effective Date
\$

1st Anniversary
\$

2nd Anniversary
\$

Item 3. Coverage: Excess Umbrella Liability

Item 4. Limits of Liability: The limit of the Company's liability shall be as stated herein, subject to all the terms of this policy having reference thereto.

As Per Form Attached

Item 5. During the past three years no insurer has cancelled insurance issued to the named insured, similar to that afforded hereunder, unless otherwise stated herein.

Forms Attached: A-7, A-3

1/26/83 RJVT

Date of Issue.

Countersigned by

Cameron & Kirby Co.

By

Authorized

FIRST STATE INSURANCE COMPANY
(A Stock Insurance Company, Herein Called the Company)

EXCESS UMBRELLA POLICY
INSURING AGREEMENTS

1. COVERAGE

The Company hereby agrees, subject to the limitations, terms and conditions herein-after mentioned, to indemnify the Insured for all sums which the Insured shall be obliged to pay by reason of the liability imposed upon the insured by law, or assumed under contract or agreement by the Named Insured for damages, direct or consequential and expenses on account of:

- (a) Personal injuries, including death at any time resulting therefrom,
- (b) Property Damage,
- (c) Advertising Liability.

caused by or arising out of each occurrence happening anywhere in the world, and arising out of the hazards covered by and as defined in the Underlying Umbrella Policies stated below and issued by the "Underlying Umbrella insurer".

UNDERLYING UMBRELLA INSURERS AND POLICY NUMBER:

Hartford Insurance Group
Policy No. - To Be Advised

2. LIMIT OF LIABILITY - UNDERLYING LIMITS

It is expressly agreed that liability shall attach to the Company only after the Underlying Umbrella Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

- (a) \$49,000,000. ultimate net loss in respect of each occurrence, but
- (b) \$49,000,000. in the aggregate for each annual period during the
currency of this Policy separately in respect of
Products Liability and separately in respect of Personal
Injury (fatal or non-fatal) by Occupational Disease
sustained by any employees of the Assured

and the Company shall then be liable to pay only the excess thereof up to a further
\$10,000,000. P/O✓

- (c) \$25,000,000. ultimate net loss in all in respect of each occurrence -
subject to a limit of
\$10,000,000. P/O✓
- (d) \$25,000,000. in the aggregate for each annual period during the
currency of this policy, separately in respect of Product
Liability and separately in respect of Personal Injury
(fatal or non-fatal) by Occupational Disease sustained
by any employees of the Assured.

3. CANCELLATION CLAUSE

It is hereby understood and agreed that the Cancellation clause under Condition 7 of the Policy is amended in part as follows:

Reference to "ten days" is amended to read "thirty days". ✓

934314

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0049-GLD-000052127

DEFINITIONS

1. NAMED INSURED:

The words "Named Insured" includes The Named Insured stated in The Declarations forming a part hereof and/or subsidiary, associated, affiliated companies or owned and controlled companies as now or hereafter constituted and of which prompt notice has been given to the Company.

2. INSURED:

The word "Insured" includes The Named Insured and/or any Officer, Director, Stockholder, Partner or Employee of The Named Insured, while acting in his capacity as such.

CONDITIONS

1. PRIOR INSURANCE AND NON CUMULATION OF LIABILITY -

It is agreed that if any loss covered hereunder is also covered in whole or in part under any other excess Policy issued to the Insured prior to the inception date hereof the limit of liability hereon as stated in Insuring Agreements 2c and 2d shall be reduced by any amounts due to the Insured on account of such loss under such prior insurance.

Subject to the foregoing paragraph and to all the other terms and conditions of this Policy in the event that personal injury or property damage arising out of an occurrence covered hereunder is continuing at the time of termination of this Policy the Company will continue to protect the Insured for liability in respect of such personal injury or property damage without payment of additional premium.

2. MAINTENANCE OF UNDERLYING UMBRELLA INSURANCE -

This Policy is subject to the same terms, definitions, exclusions and conditions (except as regards the premium, the amount and limits of liability and except as otherwise provided herein) as are contained in or as may be added to the Underlying Umbrella Policies stated in Insuring Agreement 1 prior to the happening of an occurrence for which claim is made hereunder.

It is a condition of this Policy that the Underlying Umbrella Policies shall be maintained in full effect during the currency hereof except for any reduction of the aggregate limits contained therein solely by payment of claims in respect of accidents and/or occurrences occurring during the period of this Policy or by the operation of Condition of the Underlying Umbrella Policies.

3. NOTICE OF OCCURRENCE -

Whenever the Insured has information from which they may reasonably conclude that an occurrence covered hereunder involves injuries or damage which, in the event that the Insured shall be held liable, is likely to involve this Policy, notice shall be sent to the Company at 60 Batterymarch Street, Boston, Massachusetts 02110 as soon as practicable, provided however, that failure to give notice of any occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date, would appear to give rise to claims hereunder, shall not prejudice such claims.

4. OTHER INSURANCE -

If other valid and collectible insurance with any other Insurer is available to the Insured covering a loss also covered by this Policy, other than insurance that is in excess of the insurance afforded by this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance. C-45

The following Service of Suit Clause is not to become effective unless or until the Insured has notified this Company in each specific claim of its intention to sue.

Service of Suit Clause

It is agreed that in the event of the failure of this Company to pay any amount claimed to be due hereunder, this Company, at the request of the Insured, will submit to the jurisdiction of any Court of Competent Jurisdiction within the United States and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the highest one in authority bearing the title "Commissioner", "Director", or "Superintendent" of Insurance of the state or commonwealth wherein the property covered by this policy is located, and that in any suit instituted against it upon this contract this Company will abide by the final decision of such Court or any Appellate Court in the event of an appeal. The one in authority bearing the title "Commissioner", "Director", or "Superintendent" of Insurance of the state or commonwealth wherein the property covered by this policy is located is hereby authorized and directed to accept service of process on behalf of this Company in any such suit and/or upon the Insured's request to give a written undertaking to the Insured that they will enter a general appearance upon this Company's behalf in the event such a suit shall be instituted.

A-7

Cameron & Colby Co.
James V. Maguire
By _____ Authorized

It is hereby understood and agreed that the Cancellation Clause under Condition 7 of the Policy is amended in part as follows:

Reference to "ten days" is amended to read "sixty days".

GLD052130
0049-GLD-000052130

ENDORSEMENT #1

It is agreed that the Named Insured is as follows:

SCM CORPORATION, ALL SUBSIDIARIES AND SUBSIDIARIES OF THE
SUBSIDIARIES, SCM FOUNDATION, ANY OTHER COMPANY OF WHICH IT
ASSUMES ACTIVE MANAGEMENT, ANY EMPLOYER SPONSORED EMPLOYEE
ASSOCIATIONS OR CLUBS, OF THE NAMED INSURED AND SYLVACHEM
CORPORATION, JOTUN-BALTIMORE COPPER PAINT CO., AND COMPANIA
ENVASADORA LORETO, S.A. AS JOINT VENTURES.

This endorsement to take effect on the 1st day of January, 1983.
All other items and conditions remain unchanged.

Attached to and forming part of Policy No. 934314 of FIRST STATE
INSURANCE COMPANY.

Issued to: SCM CORPORATION, ETAL.

James E. Kelly
James E. Kelly Co.

ENDORSEMENT #2

Named Insured

"SCM Corporation, all subsidiaries and subsidiaries of the subsidiaries, SCM Foundation, any other company of which it assumes active management and any employer-sponsored employee association or clubs of the Named Insured and Sylvachem Corporation, Jotun Marine Coatings and Compania Envasadora-Loreto S.A. as Joint Ventures."

Broad as Underlying Umbrella

It is understood and agreed that except only with respect to policy period, premium and limit of liability, this policy is hereby amended to follow all the terms, conditions, definitions and exclusions of the first layer Umbrella (Insurer: Hartford, Policy No. 10HUHE1700) and any endorsements attached thereto, and all renewals and replacements. It is further agreed that all preprinted terms and conditions hereon are deleted to the extent that they vary from or are inconsistent with the terms and conditions of the first layer Hartford Umbrella."

This endorsement to take effect on the 1st day of January, 1983.
All other items and conditions remain unchanged.

Attached to and forming part of Policy No. 934314 of FIRST STATE INSURANCE COMPANY.

Issued to: SCM CORP.

Cameron & Colby Co.
James V. McGuire
By _____
Authorized

GLD052132
0049-GLD-000052132

ENDORSEMENT #3

It is agreed that Item 1 of the Insuring Agreements, Underlying Umbrella Insurers and Policy Number is amended to read as follows:

Hartford Accident and Indemnity Company
Policy No.: 10. HU HE1700
Term: 1/1/83 to 1/1/84

This endorsement to take effect on the 1st day of January, 1983.
~~All other items and conditions remain unchanged.~~

Attached to and forming part of Policy No. 934314 of FIRST STATE INSURANCE COMPANY.

Issued to: SCM CORP.

Cameron & Colby Co.

By James P. McGuire
Authorized

GLD052133

0049-GLD-000052133