ACE KDE - 5096 12/8/88

N17592

LIABILITY-EXCESS 12/8/88 CONT.
HM ANGLO ACE
KDE-5096

[redacted]

Form A.C.E. (B) UL—003

Policy No. KDE-5096

A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Producer: BOWRING (BERMUDA) LTD.

In favor of: HM ANGLO-AMERICAN LTD.

Address: 100 Wood Avenue South, Iselin, N.J. 08830, U.S.A.

Type of Coverage: EXCESS LIABILITY

In the amount as stated in Item 2 of the Declarations.

Term: Beginning at 12:01 A.M. on the 8th day of December 1988 ("Inception Date")

Greenwich Mean Time, and in accordance with terms and conditions of the form(s) attached.

PREMIUM	$618,220
RESERVE PREMIUM	N/A
TOTAL	$618,220

IN WITNESS WHEREOF, this Policy has been made, entered into and executed by the undersigned in Hamilton, Bermuda this 17th day of May, 19 89

By: [signature]
WILLIAM J. LOSCHERT
Title: EXECUTIVE VICE PRESIDENT-UNDERWRITING

THIS IS A CLAIMS MADE POLICY
WITH AN OPEN-END DISCOVERY PERIOD
ON THE TERMS AND CONDITIONS
SET FORTH HEREIN

EXCESS LIABILITY INSURANCE

DECLARATIONS

Item 1 (a) *Named Insured:* HM ANGLO-AMERICAN LTD.

(b) Address of Named Insured: 100 Wood Avenue South, Iselin, N.J. 08830, U.S.A.

Item 2 Limit of Liability:

(a) Limit in respect of each occurrence or claim: $150,000,000

(b) Annual period limit in the aggregate for all covered occurrences and claims: $ 150,000,000

(c) Per Occurrence Retention Amount: $ Per submitted Schedule B [Minimum of $100,000,000]

Item 3 Policy Inception Date: 8th December, 1988

Item 4 Notice of Occurrence or Claim (Condition (d))

Item 5 Currency (Conditions (g) and (n))

Item 6 Payment of Premium (Conditions (a), (s), (t) and (u))

Item 7 Representative of Named Insured: BOWRING (BERMUDA) LTD.

Item 8 Notice: ACE TELEX 3543 ACEIL BA

Item 9 Applicable Initial Endorsements

___ Directors and Officers Liability Including Company Reimbursement

___ Directors and Officers Liability

___ Company Reimbursement Liability

___ Employee Benefit Fiduciary Coverage

___ Coverage Gaps

_X_ Other:

Retroactive Date Endorsement

Said insurance is subject to the provisions, stipulations, exclusions and conditions contained in this form and the representations and warranties of the Named Insured contained in the Named Insured's initial and extension applications for this policy of insurance, which are hereby made a part of said insurance, together with other provisions, stipulations, exclusions and conditions as may be endorsed on said policy or added thereto as therein provided (collectively hereinafter referred to as the "Policy").

EXCESS LIABILITY POLICY

Named Insured: As stated in Item 1 of the Declarations forming a part hereof (hereinafter called the "Named Insured").

INSURING AGREEMENTS

I. COVERAGE

The A.C.E. Insurance Company (Bermuda) Ltd. ("the Company") hereby agrees, subject to the limitations, terms, exclusions and conditions hereinafter mentioned, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of liability imposed upon the Insured by law or assumed under contract or agreement by the Insured for damages on account of —

(1) personal injury,

(2) property damage or

(3) advertising liability

anywhere in the universe, resulting from:

Coverage (A): an occurrence (as defined herein), notice of which shall have been given by the Named Insured to the Company prior to the expiration of this Coverage A in accordance with Section (d) of Article V (Conditions) hereof ("Coverage A"); or

Coverage (B): an occurrence (as defined herein), notice of which shall have been given by the Named Insured to the Company during the Discovery Period in accordance with Section (d) of Article V (Conditions) hereof ("Coverage B"), but only if the Named Insured shall have elected to obtain Coverage B pursuant to Section (u) of Article V (Conditions) hereof (or if a former subsidiary, affiliate or associated company of the Named Insured shall have Coverage B by virtue of Section (w) of Article V (Conditions) hereof);

provided, however, that the aggregate limit, the per occurrence limit, the per occurrence retention, and the terms, conditions and exclusions of coverage shall be determined under the Policy as in effect at the time notice of the occurrence for which coverage is asserted is first given pursuant to Section (d) of Article V (Conditions) hereof.

II. LIMIT OF LIABILITY

(a) Subject to all the provisions hereof, the Company shall be liable only for that amount of ultimate net loss for each occurrence covered pursuant to Article I hereof in excess of the greater of either:

(1) the unexhausted limits (hereinafter called the "underlying limits"), of the underlying insurances listed on the present and/or any prior Schedule B hereto, as to which the Company and the Named Insured expressly agree that the insurance provided by this Policy shall be in excess (it being understood that this Policy shall in no way be subject to, or affected by, the terms, conditions, or limitations of said underlying insurances) in respect of such occurrences covered by said underlying insurances,

or

(2) the per occurrence retention amount set forth in Item 2(c) of the Declarations,

and then only up to a further sum as stated in Item 2(a) of the Declarations in respect of each occurrence—subject to the limit as stated in Item 2(b) of the Declarations in the aggregate for each annual period for all occurrences covered hereunder of which notice is first given during such annual period (or during the Discovery period with respect to the immediately preceding annual period or portion thereof)—irrespective of the period over which the losses, injuries, damages or liabilities occur or the number of such losses, injuries, damages or liabilities.

(b) The inclusion or addition hereunder of more than one Insured shall not operate to increase the Company's limits of liability beyond those set forth herein.

III. DEFINITIONS

This Policy is subject to the following definitions:

(a) Insured

(1) The unqualified word "Insured," wherever used in this Policy, includes:

(A) the Named Insured, and, if the Named Insured is designated in Item 1 of the Declarations as a partnership or joint venture, the partnership or joint venture so designated and each partner or member thereof but only with respect to his liability as such;

(B) (i) any subsidiary or affiliate of the Named Insured for any annual period whose accounts as of the date of the financial statements of the Named Insured submitted to the Company most recently prior to the rating of the premium for such annual period (x) are consolidated in the financial statements of the Named Insured in accordance with generally accepted accounting principles in the United States of America (or, in the case of any foreign Named Insured, any subsidiary or affiliate whose accounts would be consolidated in the financial statements of such Named Insured if such accounts would have been consolidated in accordance with generally accepted accounting principles in the United States of America), or (y) were eligible for such consolidation and whose financial statements were submitted to the Company as of such date; and/or (ii) any subsidiary, affiliate or associated company of the Named Insured listed on Schedule A hereto;

(C) any present or former officer, director, stockholder or employee of any person or entity named in paragraph (A) or (B) above, but only with respect to liability for acting within the scope of his duties as such an officer, director, stockholder or employee, and any organization or proprietor with respect to any liability for providing real estate management for any such person or entity;

(D) any person, organization, trustee or estate to whom any person or entity named in paragraph (A) or (B) above is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this Policy, but only to the extent of such obligation and only in respect of operations (other than commercial insurance operations) by or on behalf of such person or entity or of facilities of such person or entity or of facilities used by such person or entity;

(E) with respect to any automobile owned by any person or entity named in paragraph (A) or (B) above or hired for use on behalf of any such person or entity, or to any aircraft owned by or hired for use on behalf of any such person or entity, any person or organization legally responsible for the use thereof, provided the actual use of the automobile or aircraft is with the permission of such person or entity. The insurance extended by this paragraph (E), with respect to any person or organization other than any such person or entity, shall not apply:

(i) to any person or organization, or to any agent or employee thereof, operating an automobile repair shop, public garage, sales agency, service station, or public parking place, with respect to any occurrence arising out of the operation thereof;

(ii) to any manufacturer of aircraft, aircraft engines, or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of such activities of the Insured;

(iii) with respect to any hired automobile, or aircraft, to the owner thereof or any employee of such owner; and

(iv) with respect to any non-owned aircraft, to any officer, director, stockholder, partner or employee of any person or entity named in paragraph (A) or (B) above if such aircraft is owned in full or in part by him or a member of his household.

(2) It is hereby understood and agreed by each Insured and the Company that, as regards any liability of an Insured which arises in any manner whatsoever out of operations or the existence of any joint venture, coventure, joint lease, joint operating agreement or partnership (hereinafter called "Joint Venture") in which such Insured has an interest, the liability of the Company under this Policy shall be limited to the Insured's liability arising out of such Joint Venture and that the total limit of liability insurance afforded such Insured by this Policy shall be available with respect thereto. It is further understood and agreed that the liability of the Company under this Policy shall be excess of (i) the sum specified in Item 2(c) of the Declarations with respect to the Insured's liability arising out of such Joint Venture or (ii) the limits of the underlying insurance(s) (as reduced by any special provisions relating to Joint Ventures, if applicable), whichever is the greater.

(3) It is agreed to automatically include as an Insured without listing on Schedule A hereto or adjustment of premium under this Policy for any annual period any assets or entity acquired by or merged with an Insured (a "Potential Additional Insured") during such annual period provided that the fair value of the sum of all cash, securities, assumed indebtedness and other consideration expended by all Insureds for any such acquisition or merger does not exceed 1% of the total assets of the Named Insured and its consolidated subsidiaries and affiliates as most recently reported to the Company for rating purposes prior to such annual period, and provided further, that neither the operations of the Potential Additional Insured prior to such acquisition or merger nor the resultant combined or consolidated operations of such Insured and the Potential Additional Insured subsequent to such acquisition or merger are materially different from those of such Insured prior to such acquisition or merger. Unless notice to the Company shall have been given and additional premium shall have been paid in respect of the acquisition of or merger with any Potential Additional Insured not meeting the criteria set forth herein, such Potential Additional Insured shall not be an Insured hereunder. With respect to any occurrence giving rise to liability of any Potential Additional Insured that qualifies to be an Insured hereunder, the Inception Date (for the first and all subsequent annual periods) shall be (i) in the case of automatic inclusion, the date of acquisition of the Potential Additional Insured by an Insured, or (ii) in the case where an additional premium is paid, the date of acquisition of the Potential Additional Insured by an Insured or such other date as may be agreed between Named Insured and the Company.

(b) **Personal Injury**

The term "personal injury" wherever used in this Policy means, but is not limited to, bodily injury (including death at any time resulting therefrom), mental injury, mental anguish, shock, sickness, disease, disability, false arrest, false imprisonment, wrongful eviction, detention, malicious prosecution, discrimination, humiliation, and all libel, slander or defamation of character or invasion of rights or privacy.

(c) **Property Damage**

The term "property damage" wherever used in this Policy shall mean (1) physical injury to or destruction of tangible property including the loss of use thereof at any time resulting therefrom, (2) loss of use of tangible property which has not been physically injured or destroyed, or (3) evacuation losses arising from actual or threatened physical injury to or destruction of tangible property or bodily injury.

(d) **Advertising Liability**

The term "advertising liability," wherever used in this Policy, shall mean liability for damages on account of:

(1) libel, slander or defamation;

(2) any infringement of copyright or of title or of slogan;

(3) piracy or misappropriation of ideas under an implied contract;

(4) any invasion of right of privacy;

committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast and arising out of the Insured's advertising activities.

(e) **Occurrence**

The term "occurrence," wherever used in this Policy, shall mean

(i) an event or a continuous, intermittent or repeated exposure to conditions which causes, allegedly causes or is deemed to cause personal injury or property damage or gives rise to advertising liability, which event or conditions commence at or subsequent to the Inception Date and prior to the expiration of Coverage A, or

(ii) use of goods or products manufactured, sold, tested, handled or distributed by the Insured or others trading under its name or of materials that were the subject of completed or abandoned operations of the Insured (collectively, the "Insured's products") which causes, allegedly causes or is deemed to cause personal injury or property damage taking place prior to the expiration of Coverage A and, except as specifically agreed by the Insured and the Company, with respect to all injured persons and damaged property, taking place entirely at or subsequent to the Inception Date where the Insured had no knowledge or notice of personal injury or property damage to any person or property at the Inception Date arising out of or allegedly arising out of the defect or hazard or alleged defect or hazard associated with the Insured's products or similar products causing or allegedly causing such personal injury or property damage,

and which injury, damage or liability is neither expected nor intended by the Insured. Where certain injury, damage or liability is expected or intended by the Insured or the Insured has historically experienced a level or rate of injury, damage or liability associated with given products or operations and injury, damage or liability fundamentally different in nature or vastly greater in order of magnitude occurs, such injury, damage or liability shall not by virtue of such expectation, intent or historical experience be deemed expected or intended to the extent and only to the extent it is different or incrementally greater.

For the purposes of this Policy, where a series of and/or several losses, injuries, damages or liabilities occur which are attributable directly or indirectly to the same event, condition, cause, defect or hazard or alleged defect or hazard or failure or alleged failure to warn of such, all such losses, injuries, damages or liabilities shall be added together and the total amount of such losses, injuries, damages or liabilities shall be treated as one occurrence irrespective of the period or area over which the losses, injuries, damages or liabilities occur or the number of such losses, injuries, damages or liabilities.

(f) **Same Event, Condition or Cause**

So far as losses, injuries, damages or liabilities resulting or alleged to result from the design, formulation, manufacture, distribution, use, operation, maintenance or repair of an Insured's product or the failure to warn as to the use, operation or maintenance of an Insured's product, the term "the same event, condition, cause, defect or hazard or failure to warn or alleged failure to warn of such" shall mean any such design, formulation, manufacture, distribution, use, operation, maintenance, repair or failure to warn, as the case may be, as to which such losses, injuries or damages are directly, indirectly or allegedly attributable.

(g) **Damages**

The term "damages" shall mean all forms of compensatory damages, monetary damages, statutory damages and punitive or exemplary damages and costs of compliance with equitable relief (other than governmental or criminal fines or penalties), and legal expense or other costs which the Insured shall be obligated to pay by reason of judgment (or, where applicable, settlement) for liabilities on account of personal injury, property damage and advertising liability including, but not limited to, hospital, medical and funeral charges and all sums paid as salaries, wages, compensation, fee charges and law costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses and investigations and other persons, and for litigation (including, but, not limited to, attorneys' fees and disbursements), settlement, adjustment, and investigation of claims and suits which are paid as a consequence of an occurrence covered hereunder, excluding only the salaries of the Insured's employees.

(h) **Ultimate Net Loss**

The term "ultimate net loss" shall mean the total sum which the Insured (or an underlying insurer) shall become obligated to pay in respect of any one occurrence for damages on account of personal injury, property damage or advertising liability, either through adjudication or (subject to Section (g) of Article V (Conditions) hereof) compromise.

(i) **Automobile**

The term "automobile," wherever used herein, shall mean a land motor vehicle, trailer or semi-trailer.

(j) **Watercraft**

The term "watercraft" shall mean any ship or vessel of whatever type, including, but not limited to, cargo vessels, passenger vessels, other vessels used for transport, towboats and barges, vessels used in the construction of pipelines, platforms or other facilities, storage vessels, tanker vessels, drill ships, drilling barges (including, without limitation, submersible drill barges, semi-submersible drill barges and self-elevating drill barges) and all other vessels of whatever nature and description, all whether or not self-propelled.

(k) **Aircraft**

The term "aircraft," wherever used herein, shall mean any heavier than air or lighter than air aircraft, missile or spacecraft.

(l) **Annual Period**

The term "annual period" as used herein shall mean the annual period commencing at (i) the Inception Date or each anniversary date and time of the Inception Date for the Named Insured, or (ii) with respect to Coverage B, at the expiration of Coverage A or each anniversary date and time of such expiration.

(m) **Discovery Period**

The term "Discovery Period," wherever used in this Policy, shall mean the period, if applicable, commencing upon the expiration of Coverage A of this Policy and ending on the date provided in Section (u) or (w) of Article V (Conditions) hereof.

(n) **Product Liability**

The term "product liability", wherever used in this Policy, shall mean liability for personal injury or property damage arising out of the end-use of goods or products manufactured, sold, tested, handled or distributed by the Insured or others trading under its name if such use occurs after possession of such goods or products has been relinquished to others by the Insured or by others trading under its name and if such use occurs away from premises owned, rented or controlled by the Insured; provided such goods or products shall be deemed to include any container thereof other than a vehicle, watercraft or aircraft.

IV. EXCLUSIONS

This Policy shall not apply to, and the Company shall have no liability hereunder to the Insured in respect of, the following:

(a) any liability or alleged liability for personal injury, property damage or advertising liability resulting from an occurrence where some or all of the personal injury, property damage or advertising liability resulting from such occurrence is, or but for the issuance of this Policy would be, covered by insurance issued to the Insured other than insurance listed or which should have been listed on the present and/or any prior Schedule B hereto.

(b) any obligation for which the Insured or any company as its insurer may be held liable under any unemployment compensation or disability benefits law or the Longshoremen's and Harbor Workers' Compensation Act; provided, however, that this exclusion does not apply to liability of others assumed by the Insured under contract or agreement or to liability arising under the Federal Employers' Liability Acts or the Jones Act.

(c) liability or alleged liability for property damage arising or alleged to arise out of any act, error or omission in the rendering of professional services, other than architectural and engineering services (which are nonetheless subject to the other exclusions herein, including, without limitation, exclusion (e) below), including, but not limited to, the rendering of legal, accounting, data processing, consulting, or investment advisory services.

(d) property damage to property owned, occupied or rented by, or within the care, custody and control of, the insured.

(e) liabilities or alleged liabilities of the Insured:

(1) resulting from or alleged to result from the failure of the Insured's products or work completed by or on behalf of the Insured to meet any warranty or representation by the Insured as to the level of performance, quality, fitness or durability or perform the function or serve the purpose intended by the Insured to the extent that such liability or alleged liability from such failure relates to the diminished value or economic utility of the Insured's products or work completed by or on behalf of the Insured;

(2) on account of property damage to any portion or section of the Insured's products or of work performed by or on behalf of the Insured, if such property damage arises out or is alleged to arise out of that portion of such products or that section of work, or out of materials, parts or equipment furnished in connection therewith;

(3) for the withdrawal, inspection, repair, replacement, or, in connection with any of the foregoing, loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work form a part.

(f) with respect to advertising activities, liabilities or alleged liabilities of the Insured for:

(1) breach of contract, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;

(2) infringement of registered trademarks, service mark or trade name by use thereof as the registered trademark, service mark or trade name of goods or services sold, offered for sale or advertised, but this shall not relate to titles or slogans;

(3) mistake in advertised price;

(4) the failure of goods, products or services to conform to advertised quality or performance.

(g) except in respect of personal injury or property damage taking place in and caused by events or conditions occurring in the land area of the United States of America, its territories or possessions or Canada, any personal injury, property damage or advertising liability of the Insured directly or indirectly occasioned by, happening through or in consequences of war, invasion, hostile action of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

(h) personal injury, property damage or advertising liability arising out of, or alleged to arise out of, the manufacture and/or distribution and/or sale and/or installation and/or utilization and/or ingestion or inhalation of, or exposure to, as the case may be, products manufactured, distributed, sold or installed by the Insured containing or consisting of asbestos fibers, tobacco or tobacco products, dioxin, asbestiform talc, diethylstilbesterol ("DES") or any intra-uterine device ("IUD"); provided, however, that this exclusion shall not apply to personal injury or property damage caused by an occurrence where such personal injury or property damage is not related to the asbestos, tobacco, or other consumed portion of a tobacco product, dioxin, asbestiform talc, DES or IUD content or nature of the product or completed operations. The listing of products herein shall not give rise to an inference that personal injury, property damage or advertising liability attributable to other products was neither expected nor intended by the insured.

(i) any liability or alleged liability for damages arising out of, or alleged to arise out of, the design, manufacture, construction, maintenance, service, use or operation of any aircraft, or any component part or equipment thereof, or any other airplane navigational or aviation related equipment, other than aircraft operated or used by the Insured for purposes other than commercial airline operations.

(j) except with respect to watercraft or risks listed on Schedule C hereto and loading or unloading of any watercraft at premises owned, leased or controlled by the Insured, any liability or alleged liability for personal injury, property damage or advertising liability in any manner arising out of or alleged to arise out of the design, construction, maintenance, manning, ownership or operation of any watercraft, including, by way of illustration but not by limitation, liability arising out of or alleged to arise out of any collision, explosion, fire, sinking or debris involving watercraft, liabilities arising out of or alleged to arise out of the discharge, dispersal, release or escape of cargo, ballast, fuel, pollutants or any other matter from any watercraft, or any liability of the Insured arising under or alleged to arise under the terms of the International Convention on Civil Liability for Oil Pollution Damage, including any amendments or supplemental agreements thereto or extensions thereof, and any future conventions (as amended, supplemented or extended) of a similar nature or purpose which are applicable to watercraft.

(k) (1) (A) except as provided in subsection (2) below, any liability or alleged liability of the Insured for personal injury, property damage or advertising liability arising out of or alleged to arise out of the discharge, dispersal, release, or escape of pollutants into or upon land or other real estate, atmosphere, any watercourse or body of water whether above or below ground or otherwise into the environment; or

(B) to any liability or alleged liability, loss, cost or expense of the Insured arising out of any direction or request, whether governmental or other, that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

(C) It is understood and agreed that this exclusion shall apply whether or not the discharge, dispersal, release or escape:

(i) results from the Insured's activities or the activities of any other person or entity;

(ii) is sudden, gradual, accidental, foreseeable, expected or fortuitous (except as provided in subsection (2) below).

(2) (A) The exclusion set forth in subsection (1) above does not apply to any liability of the Insured (i) for products liability or (ii) for personal injury or property damage caused by an occurrence constituting discharge, dispersal, release or escape of pollutants but only if the Insured becomes aware of the commencement of the discharge, dispersal, release or escape within seven (7) days of such commencement and complies with the special notice provisions of paragraph (B) of this subsection (2).

(B) Notwithstanding anything in this Policy to the contrary, the Company shall not be liable to the Insured by virtue of paragraph (2)(A)(ii) of this Section (k) unless the Named Insured provides the Company with notice in writing of the commencement of such discharge, dispersal, release or escape within twenty (20) days of such commencement. The Insured shall otherwise comply with all the conditions set forth in this Policy.

As used in this Section (k), the term "pollutant" shall mean any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance which may, does, or is alleged to affect adversely the environment, property, persons or animals, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

(I) liability or alleged liability for:

(1) personal injury, property damage or advertising liability in the United States, its territories or possessions, Puerto Rico or the Canal Zone (A) with respect to which an Insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limited liability or (B) resulting from the hazardous properties of nuclear material and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof, or (ii) the Insured is, or had this Policy not been issued, would be entitled to indemnity from United States of America or any agency thereof under any agreement entered into by the United States of America or any agency thereof with any person or organization;

(2) medical or surgical relief or expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization in the United States, its territories or possessions, Puerto Rico or the Canal Zone;

(3) injury, sickness, disease, death or destruction resulting from hazardous properties of nuclear material, if (A) the nuclear material (i) is at any nuclear facility owned by or operated by or on behalf of an Insured in the United States, its territories or possessions, Puerto Rico or the Canal Zone or (ii) has been discharged or dispersed therefrom, (B) such nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed by or on behalf of an Insured in the United States, its territories or possessions, Puerto Rico or the Canal Zone or (C) the injury arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of a nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this clause (3)(C) applies only to injury to or destruction of property at such nuclear facility.

(4) As used in this Section (I):

(A) "hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material," "special nuclear material" and "by-product material" have the meanings given them by the Atomic Energy Act of 1954 or in law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (i) containing by-product materials and (ii) resulting from the operation by a person or organization of nuclear facility included within the definition of nuclear facility under clauses (B)(i) or (B)(ii) (below):

(B) "nuclear facility" means

(i) any nuclear reactor;

(ii) any equipment or device designed or used for (x) separating the isotopes of uranium or plutonium, (y) processing or utilizing spent fuel, or (z) handling, processing or packaging waste;

(iii) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at such premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or combination thereof or more than 250 grams of uranium 235;

(iv) any structure, basin, excavation, premises or place prepared for the storage or disposal of waste.

(C) "Nuclear facility" includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

(D) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain critical mass of fissionable material.

(E) With respect to injury or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property or loss of use thereof.

(m) liability or alleged liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity outside the United States, its territories or possessions, Puerto Rico or the Canal Zone from any nuclear fuel or from any nuclear waste from the combustion, fission or fusion of nuclear fuel.

(n) (1) any liability or alleged liability arising out of or alleged to arise out of any negligent act, error or omission of the Insured, or any other person for whose acts the Insured is legally liable, in the administration of the Insured's Employee Benefits Programs, as defined in subsection (2) below, including, without limitation, liability or alleged liability under the Employee Retirement Income Security Act of 1974, as amended.

(2) As used in this Section (n), the term "Employee Benefits Programs" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, social benefits, disability benefits, and any other similar employee benefits.

(3) As used in this Section (n), the unqualified word "administration" means:

(A) giving counsel to employees with respect to the Employee Benefits Programs;

(B) interpreting the Employee Benefits Programs;

(C) handling of records in connection with the Employee Benefits Programs; and/or

(D) effective enrollment, termination or cancellation of employees under the Employee Benefits Programs; provided all such acts are authorized by the Insured.

(o) any personal injury, property damage or advertising liability asserted in any claim, action, investigation or proceeding, including, without limitation, any private lawsuit (legal, equitable or otherwise) or proceeding, any derivative action commenced by shareholders of an Insured or any action, investigation or proceeding brought by any governmental department, agency or other body, on account of any liability arising or alleged to arise under any law, rule or regulation, whether established pursuant to legislative, administrative, judicial, executive or other authority, of any nation or federal, state, local or other governmental or political body or subdivision thereof relating to:

(1) the purchase, sale or distribution of securities or offers to purchase or sell securities, or investment counselling or management, including, without limitation, liability under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, the Investment Advisers Act of 1940, and the so-called "blue-sky" laws of the various state or other jurisdictions;

(2) antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(3) fraud or breach of fiduciary duty;

(4) criminal penalties;

(5) the failure to pay when due any governmental tax (including, without limitation, income, excise, property, value added and sales tax) or tariff, license fee or other governmental fee which is incidental to the conduct of business or any assessment, fine, or penalty related thereto;

(6) copyright, patent or trademark infringement (other than advertising liability with respect to titles or slogans);

(7) any defect in or impairment to title to real property, including fixtures, whether or not owned by an Insured;

(8) disclosure or other regulation of sales of, and offers to sell, real property;

(9) any liability or alleged liability arising out of employee, officer or director dishonesty or any liability of an employee, officer or director of an Insured to such Insured.

No inference shall be made from the express exclusion of liabilities in Section (o) of this Article IV that this Policy would otherwise cover such liabilities or covers similar liabilities.

V. CONDITIONS

This Policy is subject to the following conditions:

(a) Premium

Unless otherwise provided, the premium for each annual period under this Policy is a flat premium and is not subject to adjustment except as otherwise provided herein. The premium shall be paid to the Company.

(b) Inspection

The Company shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Company's right to make inspections nor the making thereof nor a report thereon shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe or are in compliance with any law, rule or regulation.

(c) Cross Liability

In the event of claims being made by reason of personal injury suffered by an employee of one Insured hereunder for which another Insured hereunder is or may be liable, then this Policy shall cover such Insured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Insured hereunder.

In the event of claims being made by reason of damage to property belonging to any Insured hereunder for which another Insured hereunder is or may be liable then this Policy shall cover such Insured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Insured hereunder.

Nothing contained herein shall operate to increase the Company's limit of liability as set forth in Item 2 of "Declarations".

(d) Notice of Occurrence and Claim

If any employee of the risk management or legal department or any officer of any Insured shall become aware of an occurrence likely to involve this Policy, the Named insured shall as soon as practicable, as a condition precedent to the rights of any Insured under this Policy, give written notice containing particulars sufficient to identify the Insured and the occurrence and also such reasonably detailed information as the Company may request regarding the occurrence to the Company. Failure to provide such written notice as required herein shall result in a forfeiture of any rights to coverage hereunder.

If any claim is made against any Insured likely to involve this Policy, the Named Insured shall, as a condition precedent to the rights of any Insured under the Policy, give written notice thereof to the Company as soon as practicable and shall promptly forward to the Company copies of any written claim, demand, notice, summons, complaint or other process received by the Insured or its representatives or agents. Failure to provide such written notice as required herein shall result in a forfeiture of any rights to coverage hereunder.

Notice to the Company shall be given to the person or firm shown under Item 8 of the Declarations. Notice shall be deemed to be received if sent by prepaid mail properly addressed.

(e) **Assistance and Cooperation**

The Company shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against an Insured but the Company shall have the right and shall be given the opportunity to associate at its own expense with the Insured or the Insured's underlying insurers or both in the defense and control of any claim, suit or proceeding relative to any occurrence where the claim or suit involves, or appears reasonably likely to involve, the Company in which event the Insured and the Company shall cooperate in all things in the defense of such claim, suit or proceeding.

(f) **Appeals**

In the event the Insured or the Insured's underlying insurers elect not to appeal a judgment in excess of the underlying limits, the Company may elect to make such appeal at its own cost and expense and shall be liable for the taxable costs and disbursements or interest on judgments incidental thereto, but in no event shall liability of the Company for ultimate net loss exceed the amount set forth in Item 2 of the Declarations for any one occurrence and in addition the cost and expense of such appeal.

(g) **Loss Payable**

Liability under this Policy with respect to any occurrence shall not attach unless and until the Insured and/or the Insured's underlying insurer(s) shall have paid the amount of the underlying limits or the retention amount set forth in Item 2(c) as provided in Section (a) of Article II hereof and, with respect to the Insured's liability on account of personal injury, property damage or advertising liability, unless and until the Insured's liability shall have been fixed and rendered certain either by final judgment against the Insured after actual trial or by settlement approved in writing by the Company. The Insured shall make a definite demand for payment for any amount of the ultimate net loss for which the Company may be liable under this Policy within twelve (12) months after the Insured shall have paid such amount. If any subsequent payments shall be made by the Insured on account of the same occurrence or claim, additional demands for payment should be made similarly from time to time. Such losses shall be due and payable by the Company within thirty (30) days after they are respectively demanded and proven in conformity with this Policy. If judgment is rendered, settlement is denominated or another element of damages is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States dollars at the rate of exchange prevailing on the date the final judgment is rendered, the amount of the settlement is agreed upon or the other element of damages is due, respectively.

(h) **Representation**

The Named Insured or such other person as it shall designate in Item 7 of the Declarations shall represent the Named Insured and any and all Insureds hereunder in all matters under this Policy, including, without limitation, payment of premium, negotiation of the terms of renewal and/or reinstatement and the adjustment, settlement and payment of claims.

(i) **Other Insurance**

Subject to Article IV, Section (a) above, if other valid and collectable insurance with any other insurer (whether issued prior hereto, simultaneously herewith or subsequent hereto) is available to the Insured covering a loss covered by this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance. Nothing herein shall be construed to make this policy subject to the terms, conditions and limitations of other insurance. If this Policy shall be deemed to contribute to a loss with other insurance and such contribution arises in whole or part from the failure of the Named Insured to list such other insurance (whether issued prior hereto, simultaneously herewith or subsequent hereto) on Schedule B hereto in accordance with the instructions on such Schedule B, then the Named Insured shall indemnify the Company for the amount of any such contribution and this Policy shall provide coverage as if such other insurance had been so listed.

(j) **Subrogation**

Inasmuch as this Policy is "Excess Coverage," the Insured's right of recovery against any person or other entity cannot be exclusively subrogated to the Company. It is, therefore, understood and agreed that in case of any payment hereunder, the Company will act in concert with all other interests (including the Insured) concerned in the exercise of such rights of recovery. The apportioning of amounts which may be so recovered shall follow the principle that any interests (including the Insured's) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the Company is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the Insured's) of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests (including the Insured's) concerned, in the ratio of their respective recoveries as finally settled.

(k) **Changes**

Notice to or knowledge possessed by any person shall not effect waiver or change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part hereof, signed by the Company or its authorized representative.

(l) **Assignment**

Assignment of interest under this Policy shall not bind the Company unless and until consent is endorsed hereon.

(m) **Cancellation**

This Policy may be cancelled on a pro rata basis:

(1) at any anniversary date of this Policy by the Named Insured delivering prior written notice to the Company, or

(2) at any time by the Named Insured by delivering written notice to the Company stating when, not less than thirty (30) days from the date the notice is delivered, cancellation shall be effective, or

(3) except as provided in Section (u) below, at any time by the Company by delivering written notice to the Named Insured stating when, not less than ninety (90) days from the date the notice is delivered, cancellation shall be effective, or

(4) at any time by the Company, effective fifteen (15) days after delivering written notice to the Named Insured, if any payment of premium is not made when due and payable.

Written notice shall be deemed sufficiently delivered, without limitation, if sent by telex and receipt is acknowledged.

(n) **Currency**

The premiums and losses under this Policy are payable in United States currency.

(o) **Arbitration**

Any dispute arising under this Policy shall be finally and fully determined in London, England under the provisions of the English Arbitration Act of 1950, as amended and supplemented, by a Board composed of three arbitrators to be selected for each controversy as follows:

Any party to the dispute may, once a claim or demand on his part has been denied or remains unsatisfied for a period of twenty (20) calendar days by any other, notify the others of its desire to arbitrate the matter in dispute and at the time of such notification the party desiring arbitration shall notify any other party or parties of the name of the arbitrator selected by it. Any party or parties who have been so notified shall within ten (10) calendar days thereafter select an arbitrator and notify the party desiring arbitration of the name of such second arbitrator. If the party or parties notified of a desire for arbitration shall fail or refuse to nominate the second arbitrator within ten (10) calendar days following the receipt of such notification, the party who first served notice of a desire to arbitrate will, within an additional period of ten (10) calendar days, apply to a judge of the High Court of England for the appointment of a second arbitrator and in such a case the arbitrator appointed by such a judge shall be deemed to have been nominated by the party or parties who failed to select the second arbitrator. The two arbitrators, chosen as above provided, shall within ten (10) calendar days after the appointment of the second arbitrator choose a third arbitrator. In the event of the failure of the first two arbitrators to agree on a third arbitrator within said ten (10) calendar day period, any of the parties may within a period of ten (10) calendar days thereafter, after notice to the other party or parties, apply to a judge of the High Court of England for the appointment of a third arbitrator and in such case the person so appointed shall be deemed and shall act as the third arbitrator. Upon acceptance of the appointment by said third arbitrator, the Board of Arbitration for the controversy in question shall be deemed fixed. All claims, demands, denials of claims and notices pursuant to this Section (o) of the Policy shall be deemed made if in writing and mailed to the last known address of the other party or parties.

The Board of Arbitration shall fix, by a notice in writing to the parties involved, a reasonable time and place for the hearing and may in said written notice or at the time of the commencement of said hearing, at the option of said Board, prescribe reasonable rules and regulations governing the course and conduct of said hearing.

The Board shall, within ninety (90) calendar days following the conclusion of the hearing, render its decision on the matter or matters in controversy in writing and shall cause a copy thereof to be served on all the parties thereto. In case the Board fails to reach a unanimous decision, the decision of the majority of the members of the Board shall be deemed to be the decision of the Board and the same shall be final and binding on the parties thereto, and such decision shall be a complete defense to any attempted appeal or litigation of such decision in the absence of fraud or collusion.

All costs of arbitration shall be borne equally by the parties to such arbitration.

The Company and the Insured agree that in the event that claims for indemnity or contribution are asserted in any action or proceeding against the Company by any of the Insured's other insurers in any jurisdiction or forum other than that set forth in this Section (o), the Insured will in good faith take all reasonable steps requested by the Company to assist the Company in obtaining a dismissal of these claims (other than on the merits) and will, without limitation, undertake to the court or other tribunal to reduce any judgment or award against such other insurers to the extent that the court or tribunal determines that the Company would have been liable to such insurers for indemnity or contribution pursuant to this Policy. The Insured shall be entitled to assert claims against the Company for coverage under this Policy, including, without limitation, for amounts by which the Insured reduced its judgment against such other insurers in respect of such claims for indemnity or contribution, in an arbitration between the Company and the Insured pursuant to this Section (o); provided, however, that the Company in such arbitration in respect of such reduction of any judgment shall be entitled to raise any defenses under this Policy and any other defenses (other than jurisdictional defenses) as it would have been entitled to raise in the action or proceeding with such insurers.

(p) **Conflicting Statutes**

In the event that any provision of this Policy is unenforceable by the Insured under the laws of any State or other jurisdiction wherein it is claimed that the Insured is liable for any injury covered hereby, because of non-compliance with any statute therein, then this Policy shall be enforceable by the Insured with the same effect as if it complied with such statute.

(q) **Governing Law and Interpretation**

This Policy shall be governed by and construed in accordance with the internal laws of the State of New York, except insofar as such laws may prohibit payment in respect of punitive damages hereunder; provided, however, that the provisions, stipulations, exclusions and conditions of this Policy are to be construed in an evenhanded fashion as between the Insured and the Company;

without limitation, where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions (without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the Insured or the Company and without reference to parol evidence).

(r) **Proration of Losses**

In the event that more than one insured, whether under this Policy or any similar such policy, of the Company incur losses due to one occurrence, or to multiple occurrences arising out of substantially similar events or conditions which give rise to substantially similar types of loss, injury, damage or liability, all insureds potentially involved shall be notified by the Company as soon as any one such insured reports such a claim to the Company and the Company is aware of such potential involvement. If an insured is known to have similar exposure to loss as determined by the Board of Directors of the Company, that insured will be instructed by the Company to file a claim as soon as practicable. The maximum amount payable to all insureds including any such Insured hereunder combined shall be, subject to a minimum of the highest policy limit of any insured involved, the lesser of the sum of the occurrence limits of liability of the involved named insureds under any of the Company's policies then in existence or the total net worth of the Company at the end of the fiscal year ending prior to the reporting of the first of such claims.The actual amount allocated to each Named Insured shall be determined by the Board of Directors of the Company taking into account such factors as they deem relevant, including, by way of illustration only, each insured's covered loss, underlying limit and exposure to loss and the number of claimants. Among other items it is expected that the allocation will be adjusted between the time the claims are reported and actually paid as more information becomes available. Disputes shall be settled by arbitration in accordance with Section (o) above. This Section (r) shall not apply if and to the extent the Company shall have obtained "clash" reinsurance (as such term is commonly understood in the insurance industry) and such coverage applies to amounts payable to insureds in respect of the occurrence(s) contemplated herein.

(s) **Policy Extension**

Coverage A of this Policy may be extended at the expiration of each annual period for another annual period, subject only to agreement between the Company and the Named Insured as to the applicable premium and such other terms and conditions as the Company and the Named Insured may mutually deem appropriate.

(t) **Reinstatement**

At the time of each annual policy extension, the aggregate limit of liability set forth in Item 2(b) of the Declarations shall, unless otherwise agreed by the Named Insured and the Company, automatically be reinstated with respect to covered occurrences of which notice is first given during the following annual period (and the Discovery Period, if applicable). There shall be no separate premium charged for this automatic reinstatement in addition to that provided for in Section (s) above.

(u) **Optional Extension of Reporting Period**

In the event of expiration of Coverage A, other than by reason of cancellation for non-payment of premium, the Named Insured may elect, prior to expiration of any of the coverages hereunder, to secure (or in the case of extension, continue) Coverage B for such annual periods (which total period shall be the Discovery Period) and for such Insureds as the Named Insured shall designate by giving the Company written notice of such election and paying to the Company the annual premium(s) as set forth in the attached Schedule D no later than the date(s) of commencement of the annual period(s) to which such coverage will apply. Where first notice of an occurrence is given during the Discovery Period, it shall be deemed to have been given in the immediately preceding annual period or portion thereof.

(v) **Expiration Date**

Except as otherwise provided in Section (w) of this Article V, Coverage A shall expire upon cancellation thereof or at the end of an annual period if not extended. Coverage B shall expire upon termination of the Discovery Period.

(w) **Former Subsidiaries, Affiliates and Associated Companies**

If any subsidiary, affiliate or associated company of the Named Insured which is an Insured hereunder by virtue of paragraph (1)(B) or subsection (3) of Section (a) of Article III hereof shall cease to be such a subsidiary, affiliate or associated company of the Named Insured, then at such time Coverage A shall automatically expire as to such former subsidiary, affiliate or associated company and Coverage B shall (unless the Named Insured otherwise specifies) automatically incept as to such former subsidiary, affiliate or associated company and continue in force until termination of the annual period (which portion of such annual period shall be the Discovery Period) in which such cessation takes place, without additional payment or refund of any premium. Prior to the end of such annual period, such former subsidiary, affiliate or associated company may elect to extend Coverage B (and the Discovery Period) beyond the end of such annual period on such terms and conditions, for such period, subject to such limits and for such additional premium(s) as may be agreed with the Company.

(x) **Liability of the Company**

The Named Insured and the Insured agree that the liability and obligations of the Company hereunder shall be satisfied from the funds of the Company alone and that the individual shareholders of the Company shall have no liability hereunder to the Named Insured or the Insured.

(y) **Reserve Premium**

Notwithstanding Section V(a) (premium) above, the Named Insured shall pay a Reserve Premium ("Reserve Premium") equal to the aggregate premium applicable or which would be applicable for the first annual period under the Policy for coverage equal to the Limit of Liability set forth in Item 2(a) of Declarations. If the Named Insured continuously extends coverage under the Policy for subsequent annual periods, the Reserve Premium (without interest) in respect of the first annual period under the Policy shall be applied to offset premiums (but not to an amount less than zero) under the Policy for subsequent annual periods, as follows:

Annual Period under the Policy	Percentage of Applicable Reserve Premium to be Offset from Premium
2nd	10
3rd	20
4th	30
5th	40

If the Policy is cancelled or not extended by the Named Insured or is cancelled by the Company for nonpayment of premium, then the Company shall retain the Reserve Premium not previously credited towards subsequent annual period premiums as above. If the Company shall cancel the Policy (other than for nonpayment of premiums), the Company will refund (without interest) the amount of the Reserve Premium not previously credited towards subsequent annual period premiums as above. In the case of cancellation by either the Named Insured or the Company in the middle of an annual period under the Policy, any Reserve Premium which was credited towards payment of the premium for such annual period shall be treated the same as the balance of the premium paid, *i.e.*, in accordance with condition Section V(m) (Cancellation) above.

(z) **Headings**

The descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

SCHEDULE D

If the Named Insured shall elect to obtain Coverage B pursuant to Article V (Conditions), Section (u) of this policy, the annual premium charge for Coverage B shall be computed by multiplying the premium for the last annual period Coverage A was in force by the applicable factor set forth in the following table:

Coverage B **Annual Premium Charge**	
1st Year	12%
2nd Year	11%
3rd Year	10%
4th and each Additional Year	9%

End.29-3/89

ADDITIONAL/RETURN PREMIUM $ Nil

RETROACTIVE DATE ENDORSEMENT

In consideration of the premium charged, it is agreed and acknowledged as follows:

1. Except as otherwise provided in Section (a)(3) of Article III (Definitions), the term "Inception Date" as used in Section (e) of Article III (Definitions) shall mean 12:01 A.M. Greenwich Mean Time on 9th January, 1986.

2. The first annual period of this policy shall commence as of 12:01 A.M. Greenwich Mean Time on December 8, 1988 and except as otherwise provided in this policy shall expire at such time on 1st October, 1989.

3. For purposes of all occurrences notice of which shall have been given by the Named Insured to the Company during the first annual period of this policy, or if this policy affords only Coverage B as of the effective date of this endorsement, during the Discovery Period, the annual period limit of liability as stated in Item 2(b) of the Declarations shall be reduced by the amount of ultimate net loss paid by A.C.E. Insurance Company, Ltd. (hereinafter "A.C.E.") pursuant to the insurance policy referenced below with respect to all occurrences notice of which shall have been given by the Named Insured to A.C.E. subsequent to 1st October, 1988 and prior to December 8, 1988, irrespective of the time of payment by A.C.E.

   A.C.E. Insurance Company, Ltd.
   Excess Liability Insurance
   Policy No.: KDE-383

4. This Policy shall not apply to and the Company shall have no liability under this Policy to the Insured in respect of any liability or alleged liability of the Insured for damages on account of personal injury property damage or advertising liability resulting from an occurrence (including a series of and/or several losses, injuries, damages or liabilities attributable directly or indirectly to the same event, condition, cause, defect or hazard or alleged defect or hazard or failure or alleged failure to warn of such) notice of which occurrence shall have been given by or on behalf of the Insured to A.C.E. Insurance Company, Ltd. prior to the effective date of this Endorsement.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 8th December, 1988

All other terms and conditions remain unchanged.
This endorsement is attached to and made a part of Policy No. KDE-5096
of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: HM ANGLO-AMERICAN LTD.

Date of Issue: 17th May, 1989

End No. 1

By [signature]
AUTHORISED REPRESENTATIVE

SCH

HANSON INDUSTRIES - NORTH AMERICA

Building Prdts. I

Ames
NW Manufacturers
B[illegible] Moulding
[illegible]zzi
F[illegible]nt
Dura Steel/Kent

Building Prdts. II

Duke City
Kaiser
Superlite

Carlsbrook Yarn

Blue Mountain
Crawford
F[illegible]klin
[illegible]
Bay[illegible]
Encino
Alto Mar
Rau Fasteners

Carlsbrook Fabric

Native
Tube-Tex
Proctor-Schwartz

Fire Protection/ Security

Kidde Division
Kidde Sales & Service
Fenwall Inc.
Fire Controls
Fenwall Electronics
Am. Power Devices
Douglas Randall
Walter Kidde Co. Ltd.
Walter Kidde GmbH
Kidde France
Bucka Spiero

Crane/Trucking/Chemicals

Grove Mfg. Co.
National Crane Corp.
Atlantic Contract Carriers
Theurer
Tose-Fowler
Glidden - L.A.
SCM Chemicals
SCM Glidco

Automotive

Leon
Huron
Garden State Tanning
Metal Products

Transportation & Equipment

Weber Aircraft
Newport Plastics
Bearing Inspection
Isias
Weber Technical

Industrial Equipment & Servs.

Greenwald
Chelas Glass
Halkey Roberts
Bright Star
Jade Corp.
Craig Systems
Kidde Consultants Inc.
Kidde Systems Inc.
Endicott Johnson

Food Group

Durkee Foods
Ground Round
Hygrade
Baltimore Spice

Housewares Group

Spartus
Farberware
Rexair
Tucker Housewares
Nevco
Tetors
Keystone/Shadco
Sunset Lamp
Vigon Lighting

Recreation/Leisure Group

Bear
Valley
Ertl
Tommy Armour
Nissen Corp.
Universal Gym Equip.

Office Equipment and Supplies

Office Grp. of America
United Chair
Anderson Hickey
Allied Paper
Office Supplies
Allied Egry
Walton
Histacount
Ross Martin
New Jersey Office Su[illegible]
Boyless Stationers
Scott Rice
McQuiddy
Schwabacher Frey
Smith Corona

Lighting Corp. of Am[illegible]

Columbia
Keystone
Prescolite Baja S.A.
Devine Lighting
Kim Lighting
Marvin Electrical
Architectural Area L[illegible]
Spaulding Lighting
J.W. Lighting, Inc.

Residential Lighting

Progress Lighting

End.19-9/88

ADDITIONAL/XXXXXX PREMIUM $71,000

AMENDED LIMIT OF LIABILITY ENDORSEMENT

In consideration of the the premium adjustment described above, it is agreed and acknowledged that Item 2 (a) and (b) of the Declarations are amended to read in their entirety as follows:

(a) Limit in respect of each occurrence or claim: $200,000,000.

(b) Annual period limit in the aggregate for all covered occurrences and claims: $200,000,000.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 30th March, 1990

All other terms and conditions remain unchanged.

This endorsement is attached to and made a part of Policy No. KDE-5096

of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: HM ANGLO-AMERICA LTD.

Date of Issue: 25th July, 1990

End No. 3

By [signature]

AUTHORISED REPRESENTATIVE

End.7-7/88

ADDITIONAL/~~RETURN~~ PREMIUM $ 675,000

COPY

ANNIVERSARY ENDORSEMENT

It is agreed and acknowledged that in consideration of the payment by the Named Insured of the following premium, Coverage A of the Policy is extended for the period set forth below:

Premium:

Current Payment	$675,000
Unearned Premium Credit	$ -0-
(________ to	
________)	
Reserve Premium Credit	$ -0-
Total Premium	$ 675,000

Policy Period: from 12:01 A.M. 1st October, 1989

to 12:01 A.M. 1st October, 1990

Greenwich Mean Time

It is further agreed and acknowledged that (i) if different, the per occurrence retention amount set forth in Item 2 (c) of the Declarations is amended in accordance with Schedule B of the Anniversary Questionnaire completed by the Named Insured in connection with this endorsement, and (ii) the limit of liability amount set forth in Item 2 (a) and 2 (b) shall be $150,000,000.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 1st October, 1989

All other terms and conditions remain unchanged.

This endorsement is attached to and made a part of Policy No. XDE-5096

of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: BM ANGLO-AMERICAN LTD.

Date of Issue: 20th October, 1989

By ________ AUTHORISED REPRESENTATIVE

OK-KBh

End No. 2

COPY

End.7-7/88

ADDITIONAL/~~RETURN~~ PREMIUM $ 935,000

ANNIVERSARY ENDORSEMENT

It is agreed and acknowledged that in consideration of the payment by the Named Insured of the following premium, Coverage A of the Policy is extended for the period set forth below:

Premium:

Current Payment	$	935,000
Unearned Premium Credit	$	-0-
(__________ to __________)		
Reserve Premium Credit	$	-0-
Total Premium	$	935,000

Policy Period: from 12:01 A.M. 1st October, 1990
to 12:01 A.M. 1st October, 1991 ✓

Greenwich Mean Time

It is further agreed and acknowledged that (i) if different, the per occurrence retention amount set forth in Item 2 (c) of the Declarations is amended in accordance with Schedule B of the Anniversary Questionnaire completed by the Named Insured in connection with this endorsement, and (ii) the limit of liability amount set forth in Item 2 (a) and 2 (b) shall be $200,000,000 ✓

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 1st October, 1990 ✓
All other terms and conditions remain unchanged.
This endorsement is attached to and made a part of Policy No. XDX-5096 ✓
of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: HM ANGLO-AMERICAN LTD.

Date of issue: 5th November, 1990

CHECKED

End No. 6

By [signature]
AUTHORISED REPRESENTATIVE

End.19-9/88

ADDITIONAL/XXXXXX PREMIUM $71,000

COPY

AMENDED LIMIT OF LIABILITY ENDORSEMENT

In consideration of the the premium adjustment described above, it is agreed and acknowledged that Item 2 (a) and (b) of the Declarations are amended to read in their entirety as follows:

(a) Limit in respect of each occurrence or claim: $200,000,000.

(b) Annual period limit in the aggregate for all covered occurrences and claims: $200,000,000.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 30th March, 1990

All other terms and conditions remain unchanged.

This endorsement is attached to and made a part of Policy No. XDB-5096 of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: HM ANGLO-AMERICA LTD.

Date of Issue: 25th July, 1990

End No. 3

By ________ AUTHORISED REPRESENTATIVE

End.6(a)-12/88 ADDITIONAL/RETURN PREMIUM Nil

COPY

PRORATION OF RELATED LOSSES FOR RELATED INSUREDS

In consideration of the premium charged, it is agreed and acknowledged that, notwithstanding any other provision of this policy to the contrary, in the event both an Insured under this policy and one or more insureds under the policies of the Company listed below ("Related Policies") incur damages covered by this policy and by one or more of the Related Policies due to (i) one occurrence (including matters treated as one occurrence pursuant to the last paragraph of Section (e) of Article III (Definitions) of this policy), or (ii) multiple occurrences arising out of substantially similar events or conditions which give rise to substantially similar types of loss, injury, damage or liability, the maximum amount payable by the Company to the Insured and to such other insureds, in the aggregate, relating to such damages shall be the limit of liability amount stated in Item 2(a) of the Declarations of Company Policy No.: PBD-447 subject to the annual period limit of liability in the aggregate for all covered occurrences under this policy as stated in Item 2(b) of the Declarations of this policy. In any such event, the Company shall be liable, subject to the applicable limit of liability, only for that amount of such damages in excess of the greater of either:

(1) the sum of all unexhausted limits of the underlying insurances listed on the present and/or any prior Schedule B to this policy and to all Related Policies that otherwise provide coverage for such damages, or

(2) the sum of all per occurrence retention amounts set forth in Item 2(c) of the Declarations of this policy and of all Related Policies that otherwise provide coverage for such damages.

INSURED	COMPANY POLICY NO.
PEABODY HOLDING COMPANY INC.	PBD-447

The actual amount allocated to the Insured and to each other insured pursuant to this endorsement shall be determined by the Board of Directors of the Company pursuant to the allocation procedure and criteria as stated in Section (r) of Article V (Conditions) of this policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 2nd July, 1990

All other terms and conditions remain unchanged.
This endorsement is attached to and made a part of Policy No. XDB-5096
of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: EM ANGLO-AMERICAN LTD.

Date of Issue: 16th August, 1990

End No. 4

By [signature]
AUTHORISED REPRESENTATIVE

End.7-7/88

ADDITIONAL/~~REDUCE~~ PREMIUM ,050,000

ANNIVERSARY ENDORSEMENT

It is agreed and acknowledged that in consideration of the payment by the Named Insured of the following premium, Coverage A of the Policy is extended for the period set forth below:

Premium:

Current Payment	$ 1,050,000
Unearned Premium Credit	$ -0-
(__________ to	
__________)	
Reserve Premium Credit	$ -0-
Total Premium	$ 1,050,000

Policy Period: from 12:01 A.M. 1st October, 1991

to 12:01 A.M. 1st October, 1992

Greenwich Mean Time

It is further agreed and acknowledged that (i) if different, the per occurrence retention amount set forth in Item 2 (c) of the Declarations is amended in accordance with Schedule B of the Anniversary Questionnaire completed by the Named Insured in connection with this endorsement, and (ii) the limit of liability amount set forth in Item 2 (a) and 2 (b) shall be $200,000,000.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned Policy, except as expressly stated herein.

The effective date of this endorsement is 1st October, 1991

All other terms and conditions remain unchanged.

This endorsement is attached to and made a part of Policy No. XDR-5096

of A.C.E. INSURANCE COMPANY (BERMUDA) LTD.

Issued to: HM ANGLO-AMERICAN LTD.

Date of Issue: 4th December, 1991

End No. 7

By [signature] AUTHORISED REPRESENTATIVE