

This Master Certificate ("Certificate") is issued in accordance with the limited authorization granted under Contract to the Correspondent by certain Underwriters at Lloyd's, London, whose names and proportions underwritten by them can be ascertained by reference to the said Contract which bears the Seal of the Lloyd's Policy Signing Office and is on file in the office of said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified in the Declarations issued to the members of the National Association of Salaried Professionals Purchasing Group, Inc. by endorsement hereon, Underwriters do hereby bind themselves each for his own part, and not one for another, their heirs, executors and administrators.

ARBITRATORS AND MEDIATORS PROFESSIONAL LIABILITY INSURANCE
issued to
SPECIFIED MEMBERS OF THE
National Association of Salaried Professionals Purchasing Group, Inc.
(This is a claims made policy)

Whereas the National Association of Salaried Professionals Purchasing Group, Inc. (hereinafter called "ASSOCIATION") is a duly organized not-for-profit corporation with administrative offices in Illinois and each individual, firm, or corporation specified by endorsement hereon is a member of the ASSOCIATION and has made a written application to Underwriters to participate in the insurance provided herein, which application contains statements that are the basis for this insurance, Underwriters, in consideration of the premium charged, agree to insure the said ASSOCIATION and Specified Members subject to the terms, conditions, limits and exclusions stated herein.

I. INSURING AGREEMENT

Underwriters hereby agree to indemnify the **Assured** for all sums in excess of the deductible which the **Assured** shall become legally obligated to pay as damages to a claimant as a result of claims first made against the **Assured** during the period of this insurance by reason of any negligent act, error or omission in the conduct of **Arbitration Proceedings** or **Dispute Resolution Services** by the **Assured**.

II. DEFINITIONS

"**Assured**" means the ASSOCIATION and any individual, firm, or corporation or other entity specified by written endorsement to this Certificate and shall include any employee or volunteer (as disclosed on the application and for whom a premium has been paid) engaged in conducting **Arbitration Proceedings** or **Dispute Resolution Services** on behalf of the **Assured**.

"**Arbitration Proceedings**" means the submission by two or more parties of a dispute to the **Assured** as an adjudicator who, after a hearing at which all interested parties have an opportunity to be heard, or following the submission of evidence or written argument, renders an award which the parties have agreed in advance to accept, or are required to accept, as a final settlement of the dispute. "**Arbitration Proceedings**" includes an administrative agency proceeding conducted in accordance with federal, state, or local statutory law in which proceeding the **Assured** serves as a hearing officer.

"**Dispute Resolution Services**" means the rendering of professional services by the **Assured** as a neutral administrator involving the submission, negotiation, mediation and settlement of disputes.

"**Costs of Defense**" means:

- (1) reasonable fees charged by any lawyer designated or approved in writing by Underwriters, to defend the **Assured**;
- (2) all other reasonable fees, costs and expenses resulting from investigation, adjustment, defense and appeal of a claim against the **Assured**, if incurred by the **Assured** with Underwriters' approval.

However, **Costs of Defense** do not include legal fees or salary charges of employees of the **Assured** or of employees or agents of the Underwriters or of any supervisory counsel retained by the Underwriters.

"**Period of Insurance**" means the period set forth in the Declarations page of the endorsement adding the **Assured**.

III. DEDUCTIBLE

The applicable deductible amount stated in the Declarations page of the endorsement adding the **Assured** shall be paid by the **Assured** and shall be applicable to (1) loss payments and (2) **Costs of Defense** incurred by Underwriters pursuant to Section V in the event a suit is commenced against the **Assured**, whether or not any loss payment is made. The applicable deductible amount that is due shall constitute the first monies paid as respects the settlement of any loss, the satisfaction of any judgment or the payment of the **Costs of Defense** incurred by Underwriters and Underwriters shall not be liable to pay any amount hereunder until the **Assured** has made full payment of said deductible amount.

Underwriters may, at their option, pay all or part of the **Assured's** deductible amount to satisfy a claim and, upon notification, the **Assured** shall promptly reimburse Underwriters for such part of the deductible amount as has been paid by Underwriters.

IV. LIMITS OF LIABILITY

The applicable Limit of Liability of Underwriters for each claim shall not exceed the amount stated in the Declarations page of the endorsement adding the **Assured** for "each claim" and, subject to that limit, the applicable total Limit of Liability of Underwriters for all claims made against the **Assured** during the **Period of Insurance** specified in the Declarations page of the endorsement adding the **Assured** shall not exceed the amount stated therein for the "aggregate."

The Limits of Liability shall first be applied to the payment of **Costs of Defense** incurred by Underwriters. Only the reduced amount of coverage remaining, if any, after the payment of all **Costs of Defense** incurred by Underwriters shall be available for the payment of judgments or settlements.

The inclusion hereon or by endorsement of more than one **Assured** or the making of claims or the bringing of suits by more than one person, firm, corporation or organization shall not operate to increase the limit of Underwriters' liability. Two or more claims arising out of a single act, error, or omission or a series of related acts, errors, or omissions shall be treated as a single claim.

V. DEFENSE AND SUPPLEMENTARY PAYMENTS

Underwriters shall defend any suit against the **Assured** seeking damages, even if any of the allegations of the suit are groundless, false, or fraudulent, but Underwriters shall not be obligated to defend any suit after the applicable limit of Underwriters' liability has been exhausted by the payment of judgments, settlements or **Costs of Defense** or if the payment of said applicable limit has been tendered. **Costs of Defense** incurred by Underwriters shall reduce the respective amounts of coverage available under the limits for the payment of judgments or settlements.

VI. OPTION TO EXTEND CLAIMS REPORTING PERIOD

If Underwriters or the **Assured** cancel or refuse to renew the insurance provided by the endorsement adding the **Assured**, then upon payment of an additional premium calculated at 120 percent of the **Assured's** full annual premium shown on the Declarations page of such endorsement, the **Assured** shall have the right to extend the claims reporting period, subject otherwise to the terms, Limits of Liability, exclusions and conditions of this insurance, to apply to claims first made against the **Assured** during the 12 calendar months immediately following the effective date of such cancellation or non-renewal, but only for claims resulting from an incident, act, error or omission which occurred before the applicable termination or expiration date and otherwise covered under this insurance. This interval shall hereinafter be referred to as the **Optional Extension Period**.

As a condition precedent to the **Assured's** right to purchase the **Optional Extension Period** coverage, all premium and any deductibles due from the **Assured** must have been paid. The **Assured's** right to purchase the **Optional Extension Period** coverage must be exercised by notice in writing not later than 30 days after the cancellation or termination of the **Assured's** coverage under this insurance and must include payment of the premium for the **Optional Extension Period**. If such notice and premium payment are not given to Underwriters, the **Assured** shall not at a later date be able to exercise such right.

At the commencement of any **Optional Extension Period**, the entire premium therefor shall be deemed earned, and Underwriters shall not be liable to return to the **Assured** any portion of the premium paid for the **Optional Extension Period** if the **Assured** terminates the **Optional Extension Period** before its term for any reason.

The fact that the period during which claims must first be made against the **Assured** under this insurance is extended by virtue of the **Optional Extension Period** shall not in any way increase Underwriters' Limits of Liability.

VII. EXCLUSIONS

This insurance shall not indemnify the **Assured** in respect of any claim:

- (a) For libel or slander;
- (b) Brought about or contributed to by the dishonest, fraudulent, criminal, or intentionally wrongful act of the **Assured**. Notwithstanding the foregoing, the Underwriters shall defend the **Assured** under the terms of this insurance as to claims upon which suit may be brought against the **Assured** by reason of any alleged dishonest, fraudulent, criminal or intentionally wrongful act or omission, unless a judgment or other final adjudication thereof adverse to the **Assured** shall establish that the act or omission was in fact dishonest, fraudulent, criminal, or intentionally wrongful. No dishonest, fraudulent, criminal or intentionally wrongful act of one **Assured** shall be attributed to any other **Assured** for purposes of determining the applicability of this exclusion;
- (c) For punitive or exemplary damages, except that if a suit is brought against the **Assured** on a claim falling within the coverage hereof, seeking both compensatory and punitive or exemplary damages, then Underwriters will afford a defense to such action, without liability, however, for such punitive or exemplary damages;
- (d) For bodily injury, sickness, disease or death of any person, including but not limited to, any obligation which the **Assured** or its insurer may be liable under any workers compensation law, employers liability

- law, disability benefits law or under any other similar law;
- (e) For loss and damage to or destruction of any property;
 - (f) For loss to property held by the **Assured** as fiduciary;
 - (g) For liability arising from any actual or alleged breach by the **Assured** of any contract or agreement;
 - (h) Arising from any incident, act, error or omission disclosed in the **Assured's** application for this insurance, or which should have been disclosed because the **Assured** had knowledge thereof at the time the application was completed;
 - (i) Arising out of any act, error or omission in the conduct of professional services for which the **Assured** is alleged to be not properly licensed where such license is allegedly required by applicable law or regulation;
 - (j) Arising out of any act, error or omission in the **Assured's** capacity as a fiduciary under the Employee Retirement Income Security Act of 1974 or amendments thereto;
 - (k) Arising out of any act, error or omission in the conduct of medical, psychological or psychiatric treatments by the **Assured**;
 - (l) Directly or indirectly brought about by, arising out of, or attributable to any actual or alleged violation by the **Assured** of the Racketeer Influenced and Corrupt Organizations Act, 18 USC Section 1961 et seq., and any amendments thereto, or any rules or regulations promulgated thereunder;
 - (m) Based upon or arising out of discrimination by the **Assured** on any basis, including, but not limited to: race, creed, gender, religion, ethnic background, national origin, age, disability, sex or sexual orientation.
 - (n) Seeking no damages, including disciplinary proceedings, suits seeking injunctive relief only and subpoenas.

VIII. CONDITIONS

- (a) The coverages afforded by this insurance do not apply to professional services other than those performed by the **Assured** in conducting **Arbitration Proceedings** or **Dispute Resolution Services**.
- (b) ASSOCIATION have no right of indemnity or defense hereunder except for matters arising out of the activities of a member for which said member is insured by an endorsement to this Certificate.
- (c) Prior to providing **Arbitration Proceedings** or **Dispute Resolution Services**, the **Assured**, if he or she is an attorney, shall provide a written statement to all the parties, explaining his or her role as a neutral intermediary and stating that he or she may not act as an advocate for either party.
- (d) In cases where the **Assured** assists in preparing a written settlement agreement in connection with the provision of **Arbitration Proceedings** or **Dispute Resolution Services**, the **Assured** shall advise each participant in writing to have the settlement agreement independently reviewed by their own counsel before executing the agreement.
- (e) **Consent of Underwriters.** The **Assured** shall not admit liability for or settle any claim or incur any costs or expenses in connection therewith without the written consent of Underwriters who shall be entitled at any time to take over the conduct of the defense of the claim in the name of the **Assured**.
- (f) **Assured's Cooperation.** The **Assured** shall cooperate with Underwriters and, at Underwriters' request, shall submit to examination and interrogation by Underwriters' representative, under oath if required, attend hearings, depositions and trials, give a written statement and provide documents and copies of its files to Underwriters' representative, meet with such representative for the purpose of investigation or defense and assist in effecting settlement, securing and giving evidence, obtaining the attendance and statements of witnesses and in the conduct of suits, all without charge to Underwriters.
- (g) **Refusal to Settle.** Underwriters shall not settle any claim without the consent of the **Assured** against whom the claim is made. If, however, said **Assured** shall refuse to consent to any settlement recommended by Underwriters and shall elect to contest or continue any legal proceedings in connection with such claim, then Underwriters' liability for all **Costs of Defense** plus any later settlements or damage awards arising from such claim shall not exceed the amount for which the claim could have been so settled plus the **Costs of Defense** incurred up to the date of such refusal. No **Assured**, other than the **Assured** against whom the claim is made, shall have the right to refuse a settlement to which the **Assured** has consented.
- (h) **Appeals.** If the **Assured** elects not to appeal an adverse judgment, Underwriters may elect to conduct such an appeal at their own cost and expense and shall be liable for the taxable court costs and interest incidental thereto. In the event Underwriters elect to conduct such an appeal, Underwriters' total liability shall not exceed the applicable **Limit of Liability** stated on the **Declarations** page of the endorsement adding the **Assured**, which shall include the **Costs of Defense** and interest related to such an appeal.
- (i) **Other Insurance.** There shall be no liability hereunder in respect to any claim for which the **Assured** is entitled to any indemnity under any other insurance.

- (j) **Notice to Underwriters.** The **Assured**, as a condition precedent to its right to be indemnified or defended under this insurance, shall give to Underwriters notice as soon as practicable:
- (1) of any claims made against it;
 - (2) of the receipt of notice from any person of an intention to hold it responsible for any loss covered under this insurance; or
 - (3) circumstances likely to give rise to a claim under this insurance, and shall, upon request, give to Underwriters such information as Underwriters may reasonably require. Such notice shall be addressed to Underwriters, c/o Locke, Lord, Bissell & Liddel, 111 South Wacker Drive Suite 4200, Chicago, IL 60606, with a copy to Complete Equity Markets, Inc. 1190 Flex Court, Lake Zurich, IL 60047.
- (k) **Discovery Clause.** If, during the insurance period or any **Optional Extension Period** purchased hereunder, the **Assured** shall first become aware of any incident, act, error or omission occurring prior to the termination or expiration of the insurance period which may subsequently give rise to a claim against it for any loss covered under this insurance and shall, during the **Period of Insurance** or any **Optional Extension Period** purchased hereunder, give written notice to Underwriters of such incident, act, error or omission, then any such claim which is subsequently made against the **Assured** arising out of that incident, act, error or omission shall for the purpose of this insurance be deemed to have been made or instituted during the **Period of Insurance**.
- (l) **Subrogation.** In the event of any claim under this insurance, Underwriters shall be subrogated to all the **Assured's** rights of recovery therefor against any person, firm, corporation or organization and the **Assured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Assured** shall do nothing after loss to prejudice such rights. Underwriters shall not exercise any such rights against any persons, firms or corporations included in the definition of "**Assured**." Notwithstanding the foregoing, however, Underwriters reserve the right to exercise any rights of subrogation against an **Assured** in respect of any claim brought about or contributed to by any dishonest, deliberately fraudulent, criminal, malicious or intentionally wrongful acts or omissions of such **Assured**.

IX. CERTIFICATE PROVISIONS

1. **False or Fraudulent Claim.** If the **Assured** shall proffer any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this insurance shall become void as to such **Assured** from the date the fraudulent claim is proffered.
2. **Signatures Required.** Neither this Certificate nor any endorsement hereto shall be valid unless signed by the Correspondent.
3. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and is not liable for any loss or claim whatsoever. The Insurers hereunder are those individual Underwriters at Lloyd's, London, whose names can be ascertained as hereinbefore set forth.
4. **Cancellation.** The insurance provided by any endorsement to this Certificate may be cancelled on the short-rate basis stated herein by the **Assured** insured under the endorsement at any time by written notice or by surrender of the endorsement to the Correspondent issuing the endorsement. The insurance provided under any endorsement to this Certificate may also be cancelled with or without the return of tender of the unearned premium, by or on behalf of Underwriters by mailing to the **Assured**, at the last mailing address known by Underwriters, written notice stating when the cancellation shall be effective. The Correspondent shall maintain proof of mailing of such notice on a recognized U.S. Post Office form, and a copy of such notice shall be sent to the **Assured's** broker. Notice of cancellation must be mailed at least 30 days prior to the effective date of cancellation. However, where cancellation is for non-payment of premium, 10 days' notice shall be given. If the insurance provided to an **Assured** under an endorsement to this Certificate is cancelled by or on behalf of Underwriters, Underwriters shall retain the pro rata proportion of the premium thereunder. The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.
5. **Service of Suit.** It is agreed that in the event of the failure of the Underwriters to pay any amount claimed to be due hereunder, the Underwriters, at the request of the **Assured**, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States district court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Locke, Lord, Bissell & Liddel at 111 South Wacker Drive Suite 4200, Chicago, IL. 60606, and that in any suit instituted against any one of them upon this contract, the Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

The above named are authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the **Assured** to give a written understanding to the **Assured** that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Underwriters hereby designate the Superintendent, Commissioner or Director of

Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney, upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this insurance and hereby designate the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

6. **Assignment.** Neither this Certificate nor any endorsement hereto shall be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
7. **War Exclusion.** This Certificate does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts 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 or damage to property by or under the order of any government or public or local authority.
8. **Assured's Insolvency.** The insolvency or bankruptcy of the Assured shall not release Underwriters from their obligations under this insurance.
9. **Complaints.** If you have any complaints concerning your insurance, please contact the Correspondent.

X. TERRITORY CLAUSE.

This insurance applies to acts, errors or omissions which take place in the USA/Canada and its territories, provided that the claim is first made against the Assured within the United States of America, its territories or possessions, or Canada during the **Period of Insurance** or **Optional Extension Period** when purchased in accordance with Clause VI.

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