

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

	)		
In re:	)	Chapter 11	
	)		
STAGE STORES, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 20-32564 (CML)	
	)		
Debtors.	)	(Jointly Administered)	
	)		

**MOTION OF MICHAEL L. GLAZER, THORSTEN WEBER, RUSSELL A. LUNDY II,  
AND GINA LAMPMAN FOR ENTRY OF AN ORDER MODIFYING THE  
AUTOMATIC STAY AND/OR PLAN INJUNCTION, TO THE EXTENT APPLICABLE,  
TO PERMIT PAYMENTS UNDER  
EXECUTIVE EDGE POLICY NO. 02-382-05-01**

**THIS IS A MOTION FOR RELIEF FROM THE AUTOMATIC STAY. IF IT IS GRANTED, THE MOVANT MAY ACT OUTSIDE OF THE BANKRUPTCY PROCESS. IF YOU DO NOT WANT THE STAY LIFTED, IMMEDIATELY CONTACT THE MOVING PARTY TO SETTLE. IF YOU CANNOT SETTLE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY AT LEAST 7 DAYS BEFORE THE HEARING. IF YOU CANNOT SETTLE, YOU MUST ATTEND THE HEARING. EVIDENCE MAY BE OFFERED AT THE HEARING AND THE COURT MAY RULE.**

**IF A TIMELY OBJECTION IS FILED, THE COURT WILL CONDUCT A HEARING ON THIS MOTION ON TUESDAY, JANUARY 7, 2025 AT 10:00AM (PREVAILING CENTRAL TIME), BEFORE THE HONORABLE JUDGE CHRISTOPHER M. LOPEZ AT THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, AT COURTROOM 401, 515 RUSK STREET, HOUSTON, TEXAS 77002. VIA TELEPHONE AND VIDEO.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

Non-Debtors Michael L. Glazer (“Glazer”), Thorsten Weber (“Weber”), Russell A. Lundy II (“Lundy”), and Gina Lampman (“Lampman”, and collectively with Glazer, Weber, and Lundy, the “Movants”), by and through undersigned counsel, seek entry of an order (the “Order”),

<sup>1</sup>The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900).



substantially in the form attached hereto as Exhibit A, modifying, to the extent necessary, the automatic stay imposed by 11 U.S.C. § 362 and/or the injunction provisions of Article VIII.F of the Plan (the “Plan Injunction”) to the extent necessary to permit payments under Debtors’ Executive Edge Broad Form Management Liability Insurance Policy, Policy No. 02-382-05-01 (the “Policy”). In support of the Motion, Movants respectfully state as follows:

### **JURISDICTION**

1. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Movants confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court with respect to the relief sought in this Motion.

2. Venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The relief requested herein may be granted pursuant to section 362 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 4001(d) of the Bankruptcy Rules, and Rule 4001-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

### **BACKGROUND**

#### **A. The Debtors’ Bankruptcy Cases**

4. On May 10, 2020 (the “Petition Date”), Stage Stores, Inc. (“Stage Stores”) and Specialty Retailers, Inc. (“Specialty Retailers”, and collectively with Stage Stores, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). Additional information about the Debtors’ business and the events leading up to the Petition Date can be found

in the Disclosure Statement for the Amended Joint Chapter 11 Plan of Stage Stores, Inc. and Specialty Retailers, Inc. [Docket No. 535].

5. On August 13, 2020, the Debtors filed the *Joint Second Amended Chapter 11 Plan of Stage Stores, Inc. and Specialty Retailers, Inc.* [Docket No. 694] (the “Plan”). On August 14, 2020, the Court entered the *Order Confirming the Joint Second Amended Chapter 11 Plan of Stage Stores, Inc. and Specialty Retailers, Inc.* [Docket No. 705] (the “Confirmation Order”). The effective date of the Plan occurred on October 30, 2020 [Docket No. 898] (the “Effective Date”).

### **B. The Policy**

6. Prior to the Petition Date, Stage Stores maintained the Policy, which is a director and officer liability policy with a Policy Period of November 1, 2019 to November 1, 2020, issued by Illinois National Insurance Company (“Illinois National”). The Policy is attached hereto as Exhibit B.

7. AIG Claims, Inc. (“AIG” and together with Illinois National, the “Insurers”) is the authorized representative of Illinois National. The Policy was assumed and assigned to the Debtors under the Plan. The Declarations Page of the Primary Policy specifies an Aggregate Limit of Liability of Five Million Dollars (\$5,000,000) (inclusive of Defense Costs). Clause 1 of the Policy provides for “Insured Person Coverage,” in relevant part, for:

...the Loss of any Insured Person that no Organization has indemnified or paid, and that arises from any:

(1) Claim (including any Insured Person Investigation) made against such Insured Person (including any Outside Entity Executive) for any Wrongful Act of such Insured Person; or

(2) Pre-Claim Inquiry, to the extent that such Loss is either Pre-Claim Inquiry Costs or Liberty Protection Costs.

8. “Insured Person” is defined in the Policy to mean, in relevant part, an Executive of an Organization or any Employee of an Organization.<sup>2</sup>

**C. Movants’ Claims under the Policy**

9. Prior to the Petition Date, Movants were employed by, and held officer positions with Debtor Stage Stores, Inc. (“Stage Stores”). As of the relevant time period, Movants’ titles at Stage Stores were: (a) Glazer: Chief Executive Officer; (b) Weber: Executive Vice President, Chief Merchandising Officer; (c) Lundy: Executive Vice President, Chief Stores Officer; and (d) Lampman: Vice President, Principal Accounting Officer. Movants, constituting Executives and/or Employees of Stage Stores, constitute “Insured Persons” within the meaning of the Policy.

10. On or about April 15, 2024, the Internal Revenue Service (“IRS”) issued Letters 1153 to each of the Movants, advising Movants of proposed assessments for Trust Fund Recovery Penalty (each, a “Letter 1153”). Each Letter 1153 advised of a proposed assessment for Trust Fund Recovery Penalty in the amount of \$912,470.94 on account of Specialty Retailers’ employment tax liabilities for the tax period ending June 30, 2020 (the “IRS Matter”).

11. Movants incurred legal fees and expenses (“Defense Costs”) in responding to the IRS Matter. On or about June 4, 2024, Movants made formal demand upon the Plan Administrator for indemnification of all expenses and liabilities associated with or arising from the IRS Matter, including, without limitation, the payment of the proposed assessment and all Defense Costs relating to the IRS Matter and indemnification against the IRS Matter.

12. On or about June 6, 2024, Specialty Retailers delivered a check to the IRS in the amount of \$912,470.94 in full satisfaction of Specialty Retailers’ employment tax liabilities.

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<sup>2</sup> Capitalized terms used, but not defined, herein shall have the meanings given to them in the Policy.

13. On June 7, 2024, the Plan Administrator denied Movants' request for indemnification, citing Article V, Section E of the Plan providing, in relevant part, that the Wind-Down Debtor's<sup>3</sup> [sic] obligation to fund any indemnification is limited to the extent of coverage available under applicable insurance policies, with no obligation of the Debtors or the Estates to reimburse any indemnity claims or expenses.

14. Following the Plan Administrator's denial of Movants' request for indemnification, Movants submitted claims for their Defense Costs for coverage under the Policy. The IRS Matter and Defense Costs constitute a Claim for which coverage is available pursuant to the Policy (the "Claims"). On August 20, 2024, AIG delivered to Stage Stores its Initial Coverage Letter, determining that coverage is available with respect to the Defense Costs incurred by Movants in responding to the IRS Matter. Prior to any potential disbursement of the proceeds under the Policy, however, AIG requires an order from this Court stating that the automatic stay and/or the Plan Injunction does not apply to the Policy or, to the extent this Court determines that such stay and/or Plan Injunction does apply, an order modifying the automatic stay and/or Plan Injunction to permit the payment of funds under the Policy's limit of liability.

15. Movants have been in consultation with the Plan Administrator with respect to the relief requested herein. By and through counsel, the Plan Administrator has indicated that Plan Administrator does not oppose the instant request and consents to the form of order submitted with this Motion.

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<sup>3</sup> As defined in the Plan.

## **BASIS FOR RELIEF**

### **A. The Proceeds of the Policy are Not Property of the Estate**

16. Section 362(a)(3) of the Bankruptcy Code stays “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.” 11 U.S.C. § 362(a)(3).

17. By their terms, the Plan and Confirmation Order have lifted the stay with respect to Movants’ Claims. Specifically, the Plan provides:

The automatic stay of the Bankruptcy Code section 362(a), if and to the extent applicable, shall be deemed lifted without further order of the Bankruptcy Court, solely to permit...claimants with...direct actions claims against AIG under applicable non-bankruptcy law to proceed with their claims in connection with the AIG Insurance Contracts...

*Plain, Art. V. C<sup>4</sup>*. Here, Movants respectfully submit that the Policy constitutes an AIG Insurance Contract as defined in the Plan. As “Insured Persons” with direct claims under the Policy, the Plan and Confirmation Order operated to lift the automatic stay with respect to the Claims.

18. Further, even in the absence of Plan language expressly providing for dissolution of the stay with respect to Movants’ Claims, Bankruptcy Courts typically conclude that proceeds of a D&O insurance policy are not property of the bankruptcy estate where the individual directors and officers have a first priority interest in the proceeds. *See Louisiana World Exposition, Inc. v. Fed. Ins. Co. (In re Louisiana World Exposition, Inc.)*, 832 F.2d 1391, 1401 (5<sup>th</sup> Cir. 1987) (“[T]he liability proceeds payable to the directors and officers are not property of the bankrupt’s estate.”); *In re Noram Res., Inc.*, No. 08-38222, 2012 WL 2571154, at \*4 (Bankr. S.D. Tex. July 2, 2012) (noting that “insurance proceeds of policies established for the indemnification of directors and officers are nor property of the estate”); *In re World Health Alternatives, Inc.*, 369 B.R. 805, 811

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<sup>4</sup> Capitalized terms used, but not defined, in this section shall have the meanings given to them in the Plan.

(Bankr. D. Del. 2007) (“[T]he proceeds of the [d]ebtor’s [D&O] insurance policy are not property of the estate.”)’ *In re Allied Digital Techs. Corp.*, 306 B.R. 505, 512 (Bankr. D. Del. 2004) (concluding that proceeds of the D&O policy at issue were not property of the estate, where the payment of defense costs for the benefit of former directors and officers would have no adverse effect on the estate).

19. Bankruptcy Courts will “closely examine the debtor’s rights under the terms of the liability insurance policy at issue in order to determine whether holding that the policy proceeds are property of the estate would improperly ‘expand the debtor’s rights against others beyond what rights existed at the commencement of the case.’” *In re Downey Fin. Corp.*, 428 B.R. 595, 607 (Bankr. D. Del. 2010).

**B. The Plan Injunction Does Not Bar Disbursement from the Policy**

20. The Plan Injunction enjoins, in relevant part, certain actions against “the Debtors, the Wind-Down Debtors, the Exculpated Parties, or the Released Parties...”

21. As issuer of the Policy, the Insurer is not a Debtor, Wind-Down Debtor, Exculpated Party, or Released Party as defined under the Plan. In this context, the Plan does not purport to enjoin Movants from seeking to collect the Defense Costs from proceeds of the Policy.

**C. In the Alternative, Cause Exists to Grant Relief from the Automatic Stay and/or Plan Injunction**

22. While Movants respectfully assert that neither the automatic stay nor the Plan Injunction applies to the proceeds of the Policy – both by the express terms of the Plan and consistent with relevant authority – Movants submit that cause nonetheless exists for relief from stay and/or Plan Injunction to the extent necessary to permit the relief sought herein.

23. Section 362(d) of the Bankruptcy Code provides that the Court may grant relief from the automatic stay upon the request of a party in interest for “cause.” 11 U.S.C. § 362(d).

“Cause” is not defined in the Bankruptcy Code; rather, it is determined on a case-by-case basis and is within the discretion of the court. *See In re Adelpia Communications Corp.*, 285 B.R. 580, 593 (Bankr. S.D. N.Y. 2002), *vacated and remanded on other grounds*, 298 B.R. 49, 53 (S.D. N.Y. 2003).

24. Even where bankruptcy courts have held that the proceeds of D&O insurance policies are property of the estate, the automatic stay will be lifted to the extent necessary to protect the interests of the directors and officers in obtaining coverage. *See, e.g., In re MF Global Holdings Ltd.*, 469 B.R. 177, 196 (Bankr. S.D. N.Y. 2010); *In re Allied Digital Techs, Corp.*, 306 B.R. 505, 514 (Bankr. D. Del. 2004); *In re Beach First Nat’l Bancshares, Inc.*, 451 B.R. 406, 411 (Bankr. D. S.C. 2011); *In re Laminate Kingdom, LLC*, Case No. 07-10279, 2008 WL 1766637, at \*4 (Bankr. S.D. Fla. Mar. 13, 2008) (“[N]umerous courts have granted relief from the automatic stay to permit the advancement of defense costs to a debtor’s directors and officers – even though the insurance policies also provided direct coverage to debtor.”).

25. Movants will be subject to substantial risk of irreparable harm if payment of all covered Loss under the Policy is not permitted. *See In re CyberMedica, Inc.*, 280 B.R. 12, 18 (Bankr. D. Mass. 2002) (concluding that the automatic stay should be lifted for “cause” because directors and officers might “suffer substantial and irreparable harm if prevented from exercising their rights to defense payments”); *In re Allied Digital Techs., Corp.*, 306 B.R. 505, 513-14 (Bankr. D. Del. 2004). Without a Court order authorizing AIG and/or Illinois National to reimburse the Defense Costs, Movants will be personally responsible to pay those Defense Costs, despite the fact that the Policy was obtained on their behalf to prevent this precise result. *See In re Allied Digital Techs., Corp.*, 306 B.R. at 513-14; *See also In re Laminate Kingdom, LLC*, 2008 WL 1766637, at \*4 (Bankr. S.D. Fla. Mar. 13, 2008); *In re CHS Elects., Inc.*, 261 B.R. 538, 542-43 (Bankr. S.D.

Fla. 2001). Failing to allow payment of the proceeds to cover Movants' Defense Costs would be inherently unjust where "[t]he directors and officers bargained for [that] coverage." *In re Allied Digital Techs., Corp.*, 306 B.R. at 514 (stating that "[w]ithout funding, the Individual Defendants will be prevented from conducting a meaningful defense to the [] claims and may suffer substantial and irreparable harm."); *MF Global*, 469 B.R. at 192-93 ("Lifting the automatic stay to permit [the insurer] to advance defense costs on behalf of the Individual Insureds would not severely prejudice the Debtors' estates. But failure to do so would significantly injure the Individual Insureds, whose defense costs are covered by the [insurance policies].").

### **Waiver and Reservation of Rights**

26. Movants request that this Court waive the 14-day stay under Bankruptcy Rule 4001(a)(3) so that they may immediately access coverage under the Policy.

### **Conclusion**

27. For the foregoing reasons, Movants respectfully request that this Court enter an Order substantially similar to the proposed order attached hereto: (a) granting this Motion; (b) lifting the automatic stay and/or the Plan Injunction, to the extent either applies, to allow AIG and/or Illinois National to disburse proceeds under the Policy for Movants' Defense Costs; and (c) granting such other and further relief as the Court deems appropriate.

### **Notice**

28. Notice of the Motion was provided to: (a) the Plan Administrator; (b) counsel for the Plan Administrator; (c) the Insurers; (d) the Office of the United States Trustee; and (e) all parties having filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002.

**No Prior Request**

29. No prior request for the relief sought in this Motion has been made to this or any other court.

Dated: November 27, 2024

Respectfully submitted,

/s/ Melissa S. Giberson

Melissa S. Giberson (OH 0082413) (*admission pro hac vice pending*)

**VORYS, SATER, SEYMOUR AND PEASE LLP**

52 East Gay Street

Columbus, Ohio 43215

(614) 464-3016

msgiberson@vorys.com

*Counsel to Movants Michael L. Glazer, Thorsten Weber, Russel A. Lundy II, and Gina Lampman*

**CERTIFICATE OF CONFERENCE**

The undersigned certifies that counsel for the Movants contacted counsel for the Plan Administrator to confer regarding the foregoing Motion. Counsel for the Plan Administrator informed counsel for the Movants that the Plan Administrator did not oppose the requested relief and consented to the form of order submitted with the Motion.

Dated: November 27, 2024

Houston, Texas

By:

/s/ Melissa S. Giberson

Melissa S. Giberson (OH 0082413) (*admission pro hac vice pending*)

**VORYS, SATER, SEYMOUR AND PEASE LLP**

52 East Gay Street

Columbus, Ohio 43215

(614) 464-3016

msgiberson@vorys.com

*Counsel to Movants Michael L. Glazer, Thorsten Weber, Russel A. Lundy II, and Gina Lampman*

**CERTIFICATE OF SERVICE**

I hereby certify that on November 27, 2024 a true and correct copy of the foregoing was filed and served electronically via the Court's CM/ECF System upon those who are registered to receive electronic notice.

*/s/ Melissa S. Giberson*

\_\_\_\_\_  
Melissa S. Giberson (*admission pro hac vice*  
*pending*)

# **Exhibit A**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
STAGE STORES, INC., <i>et al.</i> <sup>1</sup>	)	
	)	Case No. 20-32564 (CML)
	)	
Debtors.	)	(Jointly Administered)
	)	

**ORDER GRANTING MOTION OF MICHAEL L. GLAZER, THORSTEN WEBER,  
RUSSELL A. LUNDY II, AND GINA LAMPMAN FOR ENTRY OF AN ORDER  
MODIFYING THE AUTOMATIC STAY AND/OR PLAN INJUNCTION,  
TO THE EXTENT APPLICABLE, TO PERMIT PAYMENTS UNDER  
EXECUTIVE EDGE POLICY NO. 02-382-05-01**

[Relates to Docket No. ---]

Upon consideration of the *Motion Of Michael L. Glazer, Thorsten Weber, Russell A. Lundy II, and Gina Lampman for Entry of an Order Modifying the Automatic Stay and/or the Plan Injunction, to the Extent Applicable, to Permit Payments Under Executive Edge Policy No. 02-382-05-01* (the “Motion”)<sup>2</sup> seeking entry of an order that the automatic stay and/or the injunction provisions of Article VIII.F of the Plan (the “Plan Injunction”) does not bar use of insurance proceeds to pay or reimburse certain defense costs, or alternatively, granting relief from the automatic stay and/or Plan Injunction; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding in this district is proper pursuant to 28 U.S.C. § 1408 and 1409; and this Court having found that Movants’ notice of

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900).

<sup>2</sup> Capitalized terms used, but not defined, herein shall have the meanings given to them in the Motion.

the Motion and opportunity for a hearing thereon were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion; and no opposition to the Motion having been filed; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor; it is **HEREBY ORDERED THAT**:

1. The Motion is granted as set forth herein.
2. The automatic stay imposed by 11 U.S.C. § 362 and/or the Plan Injunction does not bar the Insurers from paying and/or reimbursing Defense Costs to Movants from insurance proceeds under the Policy pursuant to the terms of such Policy, provided, however, that none of the Plan Administrator, the Debtors, the Wind-Down Debtors (as defined in the Plan), their estates, or any of their successors or assigns shall incur any obligations, burdens or costs in connection with the payment of Defense Costs, including, but not limited to, (i) any requests or obligations to respond to, or to review the results of, requests for production or discovery of any nature; (ii) any claim or obligation for payment of any amounts not satisfied under the Policy; (iii) any claim or obligation that may be asserted on account of any deductible or self-insured retention; or (iv) any setoff of claims or obligations.
3. Alternatively, to the extent that the automatic stay imposed by 11 U.S.C. § 362 and/or the Plan Injunction applies to the Insurers, or the proceeds of the Policy, the automatic stay and/or the Plan Injunction is hereby modified to permit the Insurers' payment and/or reimbursement of any of the Movants' Defense Costs as provided in the Policy pursuant to the terms of the Policy, provided, however, that none of the Plan Administrator, the Debtors, the Wind-Down Debtors (as defined in the Plan), their estates, or any of their successors or assigns shall incur any obligations, burdens or costs in connection with the payment of Defense Costs,

including, but not limited to, (i) any requests or obligations to respond to, or to review the results of, requests for production or discovery of any nature; (ii) any claim or obligation for payment of any amounts not satisfied under the Policy; (iii) any claim or obligation that may be asserted on account of any deductible or self-insured retention; or (iv) any setoff of claims or obligations.

4. The Insurers may not disburse any proceeds under the Policy other than to satisfy the Defense Costs as allowed under the terms herein. Further relief must be sought from and granted by the Bankruptcy Court or the Plan Administrator prior to disbursement of proceeds under the Policy for any purpose other than payment or reimbursement of Defense Costs, including but not limited to satisfaction of a settlement amount or judgment or payment of any costs or expenses other than the Defense Costs.

5. The modification of the automatic stay and/or the Plan Injunction, as set forth herein shall have no effect as to any parties other than the Movants and the Insurers, and the automatic stay and/or Plan Injunction shall remain in full force and effect with respect to all other parties and their claims or causes of action, if any, against Plan Administrator, the Debtors, the Wind-Down Debtors (as defined in the Plan), their estates, or any of their successors or assigns.

6. All amounts paid or advanced on behalf of, or reimbursed to, Movants to pay Defense Costs shall reduce the limit of liability of the Policy as provided therein.

7. Notwithstanding any other provision herein, Movants agree to waive any and all claims arising from or related to the Defense Costs that could otherwise be asserted against the Debtors, the Wind-Down Debtors (as defined in the Plan), their estates, or their respective successors and assigns.

8. Nothing contained in this Order shall modify or be deemed to amend (i) any term or condition of the policy or (ii) any person's rights, if any, under such Policy.

9. The fourteen (14) day stay provided by Bankruptcy Rule 4001(a)(3) is waived, and the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Movants shall service a copy of this Order upon the Insurers by first class mail within three (3) business days of entry of this Order.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion under the circumstances of these cases.

12. This Court retains exclusive jurisdiction to resolve any dispute arising from or related to this Order.

Signed: January, \_\_, 2024

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Christopher M. Lopez  
United States Bankruptcy Judge

# **Exhibit B**

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**POLICYHOLDER NOTICE**

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at [www.aig.com/producer-compensation](http://www.aig.com/producer-compensation) or by calling 1-800-706-3102.

Executive Liability  
175 Water Street  
New York, NY 10038  
<http://www.aig.com>



## eDiscovery Solutions

Dear Insured:

Congratulations on purchasing your Executive Edge<sup>SM</sup> policy from a member company of AIG Property Casualty Inc. (AIG), one of the premier writers of management liability insurance. Your policy offers many outstanding features, and as a AIG Insured you have the confidence of knowing that your claims will be handled by highly experienced claims professionals. In addition, our panel counsel is comprised of leading law firms throughout the country.

The purpose of this letter is to introduce you to eDiscovery Solutions, a value-added program providing e-discovery advantages to Executive Edge policyholders. The risks associated with not being prepared to handle requests to produce electronically stored information (ESI) are significant as companies are held accountable for missteps made along the way and the potential costs of e-discovery are exorbitant. eDiscovery Solutions provides Executive Edge policyholders with the advantage of assisting in the creation of an e-discovery plan before litigation commences and the development of a cost-effective strategy to address e-discovery when a claim does arise. As an Executive Edge policyholder, you have access to the following suite of optional eDiscovery Solutions benefits to minimize the risks and expense of e-discovery:

- Help in creating an effective e-discovery strategy before a claim arises.
  - 2.5 hour "boot camp" by Encore Discovery Solutions (an independent third party provider of e-discovery services) addressing the major components of e-discovery plus an additional 10 hours of expert e-discovery consultation with Encore to assess e-discovery readiness at no cost to insureds that remain on risk. These services are available at no cost to policyholders and favorable rates are available to those policyholders who wish to purchase additional services.
- Guidance and management through the process of responding to ESI requests.
  - Pre-approved independent experts assist in responding to requests to produce ESI through development of a cost-effective strategy.
  - Pre-approved independent consultants oversee the e-discovery process including assessment of information systems capabilities, locating and preserving relevant electronic data stores, vendor selection, defining scope of work and establishing metrics to evaluate and monitor efficient execution.
  - First \$25,000 of consultants' fees covered with no retention and policyholders may choose to continue to benefit from the consultant's services at pre-negotiated favorable rates.

To take advantage of the services offered through eDiscovery Solutions, email [ediscoverysolutions@AIG.com](mailto:ediscoverysolutions@AIG.com) or contact your insurance broker or AIG underwriter.



**Illinois National Insurance Company**  
*A capital stock company*  
 (the "Insurer")

POLICY NUMBER: 02-382-05-01

REPLACEMENT OF POLICY NUMBER: 02-571-82-16

# Executive Edge<sup>®</sup>

## Broad Form Management Liability Insurance Policy

NOTICES: This policy provides claims-made coverage. Such coverage is generally limited to liability for (i) **Claims** first made against **Insureds**, (ii) **Inquiries** that an **Insured Person** first received, and (iii) **Crises** first occurring, in each case, during the **Policy Period** or, if applicable, the **Discovery Period**. Coverage under this policy is conditioned upon notice being timely provided to the **Insurer** as required (see the Notice and Reporting clause for details). Covered **Defense Costs**, **Pre-Claim Inquiry Costs** and **Derivative Investigation Costs** shall reduce the **Limits of Liability** available to pay judgments or settlements, and shall be applied against the retention amount. The **Insurer** does not assume any duty to defend. Please read this policy carefully and review its coverage with your insurance agent or broker.

### DECLARATIONS

1. **NAMED ENTITY:** *STAGE STORES, INC.*  
  
**Named Entity Address:** *2425 West Loop S.*  
*HOUSTON, TX 77027*  
  
**State of Formation:** *Texas*
  
  2. **POLICY PERIOD:** From: *November 1, 2019* To: *November 1, 2020*  
 The **Policy Period** incepts and expires as of 12:01 A.M. at the **Named Entity Address**.
  
  3. **PREMIUM:** *\$129,500*
  4. **LIMIT OF LIABILITY:** *\$5,000,000*
  5. **RETENTION:** Not applicable to: (i) **Non-Indemnifiable Loss**, (ii) **Crisis Loss** or  
 (iii) **Derivative Investigation Costs**.  
 (a) **Securities Retention:** *\$1,500,000*  
 (b) **Employment Practices Retention:** *\$1,500,000*  
 (c) All other **Loss** to which a Retention applies : *\$1,500,000*
- If the **Organizations** fail or refuse to satisfy an applicable Retention, this policy shall advance the **Loss** of an **Insured Person** pursuant to the ADVANCEMENT Clause.
6. **PASSPORT:** This policy  serves, or  does not serve, as a master Passport policy.

325401



**DECLARATIONS (Continued)**

**7. INSURER**

(a) **INSURER ADDRESS:** *175 Water Street  
New York, NY 10038-4969*

(b) **CLAIMS ADDRESS:** By E-Mail: [c-claim@AIG.com](mailto:c-claim@AIG.com)  
By Mail: *AIG, Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225*

In either case, reference the Policy Number.

**8. CONTINUITY DATES**

(a) **Outside Entity Executive Coverage**--The date on which the **Executive** first served as an **Outside Entity Executive** of such **Outside Entity**.

(b) All other coverage: *August 24, 2001*

**9. TRIA PREMIUM, TAXES AND SURCHARGES**

(a) **TRIA Premium** *\$0*

'**TRIA Premium**' means the premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended. Amount indicated above is included in **Premium**. A copy of the TRIA disclosure sent with the original quote is attached hereto.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.

PRESIDENT

AUTHORIZED REPRESENTATIVE

SECRETARY

ALLIANT INSURANCE SERVICES, INC.  
320 W 57TH ST.  
2ND FL  
NEW YORK, NY 10019-3302  
325401

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE  
(RIGHT TO PURCHASE COVERAGE)**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**COPY OF DISCLOSURE SENT WITH ORIGINAL QUOTE**

Insured Name: *STAGE STORES, INC.*

Policy Number: *02-382-05-01*

Policy Period Effective Date From: *November 1, 2019* To: *November 1, 2020*



**Executive Edge<sup>®</sup>**  
**BROAD FORM MANAGEMENT LIABILITY INSURANCE POLICY**

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In consideration of the payment of the premium, and each of their respective rights and obligations in this policy, the **Insureds** and the **Insurer** agree as follows:

## 1. INSURING AGREEMENTS

All coverage granted for **Loss** under this policy is provided solely with respect to: (i) **Claims** first made against an **Insured**, (ii) **Pre-Claim Inquiries** first received by an **Insured Person**, and (iii) **Crises** first occurring, in each such event, during the **Policy Period** or any applicable **Discovery Period** and reported to the **Insurer** as required by this policy. Subject to the foregoing and the other terms, conditions and limitations of this policy, this policy affords the following coverage:

### A. *Insured Person Coverage*

This policy shall pay the **Loss** of any **Insured Person** that no **Organization** has indemnified or paid, and that arises from any:

- (1) **Claim** (including any **Insured Person Investigation**) made against such **Insured Person** (including any **Outside Entity Executive**) for any **Wrongful Act** of such **Insured Person**; or
- (2) **Pre-Claim Inquiry**, to the extent that such **Loss** is either **Pre-Claim Inquiry Costs** or **Liberty Protection Costs**.

### B. *Indemnification Of Insured Person Coverage*

This policy shall pay the **Loss** of an **Organization** that arises from any:

- (1) **Claim** (including any **Insured Person Investigation**) made against any **Insured Person** (including any **Outside Entity Executive**) for any **Wrongful Act** of such **Insured Person**; and
- (2) **Pre-Claim Inquiry**, to the extent that such **Loss** is either **Pre-Claim Inquiry Costs** or **Liberty Protection Costs**;

but only to the extent that such **Organization** has indemnified such **Loss** of, or paid such **Loss** on behalf of, the **Insured Person**.

### C. *Organization Coverage*

This policy shall pay the **Loss** of any **Organization**:

- (1) arising from any **Securities Claim** made against such **Organization** for any **Wrongful Act** of such **Organization**;
- (2) incurred as **Derivative Investigation Costs**, subject to a \$250,000 aggregate sublimit of liability; or
- (3) incurred by an **Organization** or on its behalf by any **Executives** of the **Organization** (including through any special committee) as **Defense Costs** in seeking the dismissal of any **Derivative Suit** against an **Insured**.

### D. *Crisisfund® Coverage*

This policy shall pay the **Crisis Loss** of an **Organization**, up to the \$100,000 **CrisisFund®**; provided that payment of any **Crisis Loss** under this policy shall not waive any of the **Insurer's** rights under this policy or at law.

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## 2. EXTENSIONS

### A. *Executive Protection Suite*

Loss shall also mean the following items, provided that they arise out of a **Claim**:

- (1) **SOX 304 Costs**;
- (2) **Extradition Costs**;
- (3) **UK Corporate Manslaughter Act Defense Costs**;
- (4) **Personal Reputation Expenses**, subject to a \$100,000 per **Executive** and a \$500,000 aggregate sublimit of liability; and
- (5) **Asset Protection Costs**, subject to a \$50,000 per **Executive** and a \$250,000 aggregate sublimit of liability.

### B. *First Dollar E-Discovery Consultant Services*

For any **Securities Claim**, no Retention shall apply to the first \$25,000 in **Defense Costs** incurred as **E-Discovery Consultant Services**.

### C. *Worldwide & Cross-Border*

*Worldwide Territory* The coverage afforded by this policy shall apply anywhere in the world.

*Global Liberalization* For **Loss** from that portion of any **Claim** maintained in a **Foreign Jurisdiction** or to which the law of a **Foreign Jurisdiction** is applied, the **Insurer** shall apply the terms and conditions of this policy as amended to include those of the **Foreign Policy** in the **Foreign Jurisdiction** that are more favorable to **Insureds** in the **Foreign Jurisdiction**. This *Global Liberalization Clause* shall not apply to any provision of any policy that has worldwide effect, including but not limited to any provision addressing limits of liability (primary, excess or sublimits), retentions, other insurance, non-renewal, duty to defend, defense within or without limits, taxes, conformance to law or excess liability coverage, any claims made provisions, and any endorsement to this policy that excludes or limits coverage for specific events or litigation or that specifically states that it will have worldwide effect.

*Passport Master Policy Program*

If the Passport option box has been checked on the Declarations, then this policy shall act as a master policy and the coverage afforded by this policy shall be provided in conjunction with the Passport foreign underlyer policy issued in each jurisdiction selected by the **Named Entity**. The specific structure of the coverage provided by this master policy in conjunction with each Passport foreign underlyer policy is set forth in the Passport Structure Appendix attached to this policy.

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### 3. PROTECTIONS WHEN INDEMNIFICATION IS UNAVAILABLE

#### A. *Advancement*

If for any reason (including but not limited to insolvency) an **Organization** fails or refuses to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable Retention, if any, then the **Insurer** shall advance such amounts on behalf of the **Insured Person** until either (i) an **Organization** has agreed to make such payments, or (ii) the Retention has been satisfied. In no event shall any such advancement by the **Insurer** relieve any **Organization** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person**.

Advancement, payment or indemnification of an **Insured Person** by an **Organization** is deemed "failed" if it has been requested by an **Insured Person** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by an **Organization** within 60 days of such request; and advancement, payment or indemnification by an **Organization** is deemed "refused" if an **Organization** gives a written notice of the refusal to the **Insured Person**. Advancement, payment or indemnification of an **Insured Person** by an **Organization** shall only be deemed "failed" or "refused" to the extent such advancement, payment or indemnification is not provided, or agreed to be provided, or acknowledged by and collectible from an **Organization**. Any payment or advancement by the **Insurer** within an applicable Retention shall apply towards the exhaustion of the **Limits of Liability**.

#### B. *Order Of Payments*

In the event of **Loss** arising from a covered **Claim(s)** and/or **Pre-Claim Inquiry(ies)** for which payment is due under the provisions of this policy, the **Insurer** shall in all events:

- (1) First, pay all **Loss** covered under Insuring Agreement A. *Insured Person Coverage*;
- (2) Second, only after payment of **Loss** has been made pursuant to subparagraph (1) above and to the extent that any amount of the **Limit of Liability** shall remain available, at the written request of the chief executive officer of the **Named Entity**, either pay or withhold payment of **Loss** covered under Insuring Agreement B. *Indemnification Of Insured Person Coverage*; and
- (3) Lastly, only after payment of **Loss** has been made pursuant to subparagraphs (1) and (2) above and to the extent that any amount of the **Limit of Liability** shall remain available, at the written request of the chief executive officer of the **Named Entity**, either pay or withhold payment of **Loss** covered under Insuring Agreement C. *Organization Coverage* and Insuring Agreement D. *Crisisfund® Coverage*.

In the event the **Insurer** withholds payment pursuant to subparagraphs (2) and/or (3) above, then the **Insurer** shall, at such time and in such manner as shall be set forth in instructions of the chief executive officer of the **Named Entity**, remit such payment to an **Organization** or directly to or on behalf of an **Insured Person**.

#### C. *Bankruptcy And Insolvency*

Bankruptcy or insolvency of any **Organization** or any **Insured Person** shall not relieve the **Insurer** of any of its obligations under this policy.

In such event, the **Insurer** and each **Organization** and **Insured Person** agree to cooperate in any efforts by the **Insurer** or any **Organization** or **Insured Person** to obtain relief for the benefit of the **Insured Persons** from any stay or injunction applicable to the distribution of the policy proceeds.

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## 4. EXCLUSIONS

### A. Full Severability Of Exclusions For Insured Persons

In determining whether any of the following Exclusions apply, the **Wrongful Acts** of any **Insured Person** shall not be imputed to any other **Insured**. For Insuring Agreement C. *Organization Coverage*, only the **Wrongful Acts** of any chief executive officer, chief financial officer or general counsel (or equivalent position) of an **Organization** shall be imputed to such **Organization**.

### B. Exclusions

The **Insurer** shall not be liable to make any payment for **Loss**, other than **Crisis Loss**, in connection with any **Claim** made against an **Insured**:

- (1) *Conduct* arising out of, based upon or attributable to any:
  - (a) remuneration, profit or other advantage to which the **Insured** was not legally entitled; or
  - (b) deliberate criminal or deliberate fraudulent act by the **Insured**;
 if established by any final, non-appealable adjudication in any action or proceeding other than an action or proceeding initiated by the **Insurer** to determine coverage under the policy;
 

provided, however:

  - (i) Conduct Exclusion (a), above, shall not apply in a **Securities Claim** alleging violations of Section 11, 12 or 15 of the Securities Act of 1933, as amended, to the portion of any **Loss** attributable to such violations; and
  - (ii) with respect to Conduct Exclusion (b), for acts or omissions which are treated as a criminal violation in a **Foreign Jurisdiction** that are not treated as a criminal violation in the United States of America, the imposition of a criminal fine or other criminal sanction in such **Foreign Jurisdiction** will not, by itself, be conclusive proof that a deliberate criminal or deliberate fraudulent act occurred;
- (2) *Pending & Prior Litigation* alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior: (a) litigation; or (b) administrative or regulatory proceeding or investigation of which any **Insured** had notice; or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (3) *Personal Injury* for emotional distress or mental anguish of any person, or for injury from libel, slander, defamation or disparagement, or a violation of a person's right of privacy; provided, however, this exclusion shall not apply to an **Employment Practices Claim** or a **Securities Claim**;
- (4) *Bodily Injury & Property Damage* for bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, this exclusion shall not apply to **UK Corporate Manslaughter Act Defense Costs** or a **Securities Claim**;

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B. *Exclusions* (Continued)

- (5) *Entity v. Insured* that is brought by or on behalf of any **Organization** against any **Insured**, or by any **Outside Entity** against any **Outside Entity Executive**; provided, however, this exclusion shall not apply:
- (a) to any **Defense Costs** which constitute **Non-Indemnifiable Loss** incurred by any **Insured Person** in defending any **Claim** against that **Insured Person**;
  - (b) to any **Derivative Suit** not brought, controlled or materially assisted by any **Organization**, any **Outside Entity** or any **Executive** of the foregoing; or
  - (c) if the **Organization** or **Outside Entity** is the subject of a bankruptcy case (or the equivalent in a **Foreign Jurisdiction**), unless the **Claim** is brought, controlled or materially assisted by any **Organization** or **Outside Entity**, the resulting debtor-in-possession (or foreign equivalent) of the debtor **Organization** or **Outside Entity** or any **Executive** of the foregoing;
- (6) *ERISA* for any violation of responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar provisions of any state, local or foreign statutory or common law; or
- (7) *Compensation & Labor Liability* for any violation of responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification (WARN) Act, the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Occupational Safety and Health Act (OSHA), or any federal, state, local or foreign law, amendment to a law, or any rule or regulation, that imposes or expands responsibilities, obligations or duties relating to compensation, retirement, benefits, deductions, withholdings, breaks or the workplace; provided, however, this exclusion shall not apply to the extent that a **Claim** is for discrimination, sexual or other harassment, wrongful termination or hostile work environment, or for **Retaliation**, or to the extent that a **Claim** is a **Securities Claim**.

## 5. RETENTION

No Retention is applicable to the following: (i) **Non-Indemnifiable Loss**; (ii) **Derivative Investigation Costs**; or (iii) **Crisis Loss**.

Except as provided above and in the *First Dollar E-Discovery Consultant Services Extension*, for each **Claim** or **Pre-Claim Inquiry**, the **Insurer** shall only be liable for the amount of covered **Loss** arising from such **Claim** or **Pre-Claim Inquiry** which is in excess of the applicable Retention set forth on the Declarations or in any endorsement to this policy. Amounts within the Retention shall remain uninsured.

A single Retention shall apply to **Loss** arising from all **Related Claims** and all **Related Pre-Claim Inquiries**. In the event a **Claim** or **Pre-Claim Inquiry** triggers more than one Retention, then, as to such **Claim** or **Pre-Claim Inquiry**, the highest of such Retentions shall be deemed the Retention applicable to **Loss** arising from such **Claim** or **Pre-Claim Inquiry** unless this policy expressly provides otherwise.

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## 6. LIMITS OF LIABILITY

The **Limit of Liability** stated in the Declarations is the aggregate limit of the **Insurer's** liability for all **Loss** (including **Defense Costs** and **Pre-Claim Inquiry Costs**) under this policy. The **Limit of Liability** and all sublimits of liability are collectively referred to in this policy as the "**Limits of Liability**."

Each aggregate sublimit of liability in this policy is the maximum limit of the **Insurer's** liability for all **Loss** under this policy that is subject to that aggregate sublimit of liability. Each per **Executive** sublimit of liability in this policy is the maximum limit of the **Insurer's** liability for all **Loss** of each **Executive** under this policy that is subject to that per **Executive** sublimit of liability. All sublimits of liability shall be part of, and not in addition to, the **Limit of Liability**. Each per **Executive** sublimit of liability shall be part of, and not in addition to, its corresponding aggregate sublimit of liability.

The **Limits of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Limits of Liability** for the **Policy Period**. Further, all **Related Claims** and all **Related Pre-Claim Inquiries** that are considered made or received during the **Policy Period** or **Discovery Period** pursuant to subparagraph (b) or (c) of Clause 7. *Notice And Reporting*, shall also be subject to the applicable **Limits of Liability** set forth in this policy.

**Defense Costs** are not payable by the **Insurer** in addition to the **Limits of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Limits of Liability** for **Loss**.

## 7. NOTICE AND REPORTING

Notice hereunder shall be given in writing to the **Insurer** at the **Claims Address** indicated in the Declarations. If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

- (a) *Reporting a Claim, Pre-Claim Inquiry or Crisis*
- An **Organization** or an **Insured** shall, as a condition precedent to the obligations of the **Insurer** under this policy:
- (1) notify the **Insurer** in writing of a **Claim** made against an **Insured** or a **Crisis**; or
  - (2) if an **Insured** elects to seek coverage for **Pre-Claim Inquiry Costs** in connection with any **Pre-Claim Inquiry**, notify the **Insurer** in writing of that **Pre-Claim Inquiry**;
- as soon as practicable after (i) the **Named Entity's** Risk Manager or General Counsel (or equivalent position) first becomes aware of the **Claim** or **Pre-Claim Inquiry**; or (ii) the **Crisis** commences. In all such events, notification must be provided no later than 60 days after the end of the **Policy Period** or the **Discovery Period** (if applicable).

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- (b) *Relation Back to the First Reported Claim or Pre-Claim Inquiry* Solely for the purpose of establishing whether any subsequent **Related Claim** was first made or a **Related Pre-Claim Inquiry** was first received during the **Policy Period** or **Discovery Period** (if applicable), if during any such period:
- (1)a **Claim** was first made and reported in accordance with Clause 7(a) above, then any **Related Claim** that is subsequently made against an **Insured** and that is reported in accordance with Clause 7(a) above shall be deemed to have been first made at the time that such previously reported **Claim** was first made; and
- (2)a **Pre-Claim Inquiry** was actually first received by an **Insured Person** and reported in accordance with Clause 7(a) above, then:
- (i) any **Related Pre-Claim Inquiry** that is reported in accordance with Clause 7(a) above shall be deemed to be a **Pre-Claim Inquiry** first received at the time that such previously reported **Pre-Claim Inquiry** was first received by an **Insured Person**; and
- (ii) any subsequent **Related Claim** that is reported in accordance with Clause 7(a) above shall be deemed to be a **Claim** first made at the time that such previously reported **Pre-Claim Inquiry** was first received by an **Insured Person**.

With respect to any subsequent **Related Pre-Claim Inquiry**, this policy shall not cover **Loss** incurred before such subsequent **Related Pre-Claim Inquiry** is actually received by an **Insured Person**, and with respect to any subsequent **Related Claim**, this policy shall not cover **Loss** incurred before such subsequent **Related Claim** is actually made against an **Insured**. **Claims** actually first made or deemed first made prior to the inception date of this policy, **Pre-Claim Inquiries** first received or deemed first received by an **Insured Person** prior to the inception date of this policy, and **Claims** or **Pre-Claim Inquiries** arising out of any circumstances of which notice has been given under any directors and officers liability insurance policy in force prior to the inception date of this policy, are not covered under this policy.

- (c) *Relation Back to Reported Circumstances Which May Give Rise to a Claim* If during the **Policy Period** or **Discovery Period** (if applicable) an **Organization** or an **Insured Person** becomes aware of and notifies the **Insurer** in writing of circumstances that may give rise to a **Claim** being made against an **Insured** and provides details as required below, then any **Claim** that is subsequently made against an **Insured** that arises from such circumstances and that is reported in accordance with Clause 7(a) above shall be deemed to have been first made at the time of the notification of circumstances for the purpose of establishing whether such subsequent **Claim** was first made during the **Policy Period** or during the **Discovery Period** (if applicable). Coverage for **Loss** arising from any such subsequent **Claim** shall only apply to **Loss** incurred after that subsequent **Claim** is actually made against an **Insured**. In order to be effective, notification of circumstances must specify the facts, circumstances, nature of the alleged **Wrongful Act** anticipated and reasons for anticipating such **Claim**, with full particulars as to dates, persons and entities involved; however, notification that includes a copy of an agreement to toll a statute of limitations shall be presumed sufficiently specific as to the potential **Claims** described within that agreement.

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## 8. DISCOVERY

### *Bilateral Discovery Options*

Except as indicated below, if the **Named Entity** shall cancel or the **Named Entity** or the **Insurer** shall refuse to renew or replace this policy, the **Insureds** shall have the right to a period of one to six years following the effective date of such cancellation or nonrenewal (the "**Discovery Period**"), upon payment of the respective "**Additional Premium Amount**" described below, in which to give to the **Insurer** written notice pursuant to Clause 7(a) and Clause 7(c) of the policy of: (i) **Claims** first made against an **Insured**; (ii) **Pre-Claim Inquiries** first received by an **Insured Person**; and (iii) circumstances of which an **Organization** or an **Insured** shall become aware, in any such case, during said **Discovery Period** and solely with respect to a **Wrongful Act** that occurs prior to the end of the **Policy Period**.

### *Discovery Premium*

The **Additional Premium Amount** for: (a) one year shall be no more than 125% of the **Full Annual Premium**; (b) two to six years shall be an amount to be determined by the **Insurer**. As used herein, "**Full Annual Premium**" means the premium level in effect immediately prior to the end of the **Policy Period**.

### *Transaction Option*

In the event of a **Transaction**, the **Named Entity** shall have the right to request an offer from the **Insurer** of a **Discovery Period** (with respect to **Wrongful Acts** occurring prior to the effective time of the **Transaction**). The **Insurer** shall offer such **Discovery Period** pursuant to such terms, conditions, exclusions and additional premium as the **Insurer** may reasonably decide. In the event of a **Transaction**, the right to a **Discovery Period** shall not otherwise exist except as indicated in this paragraph.

The **Discovery Period** is not cancelable and the additional premium charged is non-refundable in whole or in part. This *Discovery Clause* shall not apply to any cancellation resulting from non-payment of premium. The rights contained in this *Discovery Clause* shall terminate unless written notice by any **Insured** of election of a **Discovery Period**, together with the additional premium due, is received by the **Insurer** no later than thirty (30) days subsequent to the effective date of the cancellation, nonrenewal or **Transaction**.

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## 9. DEFENSE AND SETTLEMENT

### A. For Claims And Pre-Claim Inquiries

- (1) *No Duty to Defend or Investigate* The **Insureds** shall defend and contest any **Claim** made against them. The **Insurer** does not assume any duty to defend or investigate.
- (2) *Advancement* Once the **Insurer** has received written notice of a **Claim** or **Pre-Claim Inquiry** under this policy, it shall advance, excess of any applicable Retention, covered **Defense Costs** or **Pre-Claim Inquiry Costs**, respectively, on a current basis, but no later than 90 days after the **Insurer** has received itemized bills for those **Defense Costs** or **Pre-Claim Inquiry Costs**. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by each and every **Insured Person** or **Organization**, severally according to their respective interests, in the event and to the extent that any such **Insured Person** or **Organization** shall not be entitled under this policy to payment of such **Loss**.
- (3) *Claims Participation and Cooperation* The **Insurer** shall have the right, but not the obligation, to fully and effectively associate with each and every **Organization** and **Insured Person** in the defense and prosecution of any **Claim** or **Pre-Claim Inquiry** that involves, or appears reasonably likely to involve the **Insurer**, including, but not limited to, negotiating a settlement. Each and every **Organization** and **Insured Person** shall give the **Insurer** full cooperation and such information as it may reasonably require.
- The failure of any **Insured Person** to give the **Insurer** cooperation and information as required in the preceding paragraph shall not impair the rights of any other **Insured Person** under this policy.
- The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment or incur any **Defense Costs** or **Pre-Claim Inquiry Costs**, without the prior written consent of the **Insurer**. Such consent shall not be unreasonably withheld.
- (4) *Full Settlement Within Retention/Consent Waived* If all **Insured** defendants are able to dispose of all **Claims** and/or **Pre-Claim Inquiries** which are subject to one Retention (inclusive of **Defense Costs**) for an amount not exceeding the Retention, then the **Insurer's** consent shall not be required for such disposition.
- (5) *Applicability* This *Defense and Settlement Clause* is not applicable to **Crisis Loss** or **Personal Reputation Expenses**. Nevertheless the **Insurer** does not, under this policy, assume any duty to defend.

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**B. Pre-Authorized Securities Defense Attorneys**

The list of approved panel counsel law firms ("**Panel Counsel**") is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "Directors & Officers (Securities Claims)" link. The list provides the **Insureds** with a choice of law firms from which a selection of legal counsel shall be made to conduct the defense of any **Securities Claim** made against such **Insureds**. With the express prior written consent of the **Insurer**, an **Insured** may select a **Panel Counsel** different from that selected by another **Insured** defendant if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable. The list of **Panel Counsel** may be amended from time to time by the **Insurer**. However, if a firm is removed from the list during the **Policy Period**, the **Insureds** shall be entitled to select such firm to conduct the defense of any **Securities Claim** made against such **Insureds** during the **Policy Period**.

The **Insureds** shall select a **Panel Counsel** to defend the **Securities Claim** made against the **Insureds** in the jurisdiction in which the **Securities Claim** is brought. In the event the **Claim** is brought in a jurisdiction not included on the list, the **Insureds** shall select a **Panel Counsel** in the listed jurisdiction which is the nearest geographic jurisdiction to either where the **Securities Claim** is brought or where the corporate headquarters of the **Named Entity** is located. In such instance the **Insureds** also may, with the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld, select a non-**Panel Counsel** in the jurisdiction in which the **Securities Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel** which will function as "lead counsel" in conducting the defense of the **Securities Claim**. This *Pre-Authorized Securities Defense Attorneys Clause* does not apply to **Defense Costs** solely relating to **Extradition** even if the underlying **Wrongful Acts** relate to a **Securities Claim**.

**C. Pre-Approved E-Consultant Firms**

The list of pre-approved e-discovery consulting firms ("**E-Consultant Firms**") is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "e-Consultant Panel Members" link. The list provides the **Insureds** with a choice of firms from which a selection of an **E-Consultant Firm** shall be made. Any **E-Consultant Firm** may be hired by an **Insured** to perform **E-Discovery Consultant Services** without further approval by the **Insurer**.

**D. Allocation**

An **Organization** is covered, subject to the policy's terms, conditions and limitations, only with respect to: (1) its indemnification of its **Insured Persons** as respects a **Claim** against or **Pre-Claim Inquiry** received by such **Insured Persons**; (2) a **Securities Claim** against such **Organization**; (3) **Crisis Loss**; and (4) **Derivative Investigation Costs**. Accordingly, the **Insurer** has no obligation under this policy for defense or other costs incurred by, judgments against or settlements by an **Organization** arising out of a **Claim** made against an **Organization** except as respects coverage for a **Securities Claim**, or any obligation to pay loss arising out of any legal liability that an **Organization** has to a claimant, except as respects a covered **Securities Claim** against such **Organization**.

With respect to: (i) **Defense Costs** jointly incurred by; (ii) any joint settlement entered into by; and/or (iii) any judgment of joint and several liability against any **Organization** and any **Insured Person** in connection with any **Claim** other than a **Securities Claim**, such **Organization** and such **Insured Person** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of the amounts as between such **Organization**, such **Insured Person** and the **Insurer**, taking into account the relative legal and financial exposures, and the relative benefits obtained by such **Insured Person** and such **Organization**. In the event that a determination as to the amount of **Defense Costs** to be advanced under this policy cannot be agreed to, then the

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**Insurer** shall advance **Defense Costs** excess of any applicable Retention which the **Insurer** states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

## 10. CHANGES TO INSUREDS

### A. *Transactions*

In the event of a **Transaction** during the **Policy Period**, this policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of the **Transaction**, but there shall be no coverage afforded by any provision of this policy for any **Wrongful Act** alleged to have occurred after the effective time of the **Transaction**. This policy may not be canceled after the effective time of the **Transaction** and no portion of the premium paid for this policy shall be refundable. The **Named Entity** shall also have the right to an offer by the **Insurer** of a **Discovery Period** described in the *Transaction Option* paragraph of Clause 8. *Discovery*.

### B. *Subsidiary Additions*

In addition to the definition of "**Subsidiary**" set forth in Clause 13. *Definitions*, **Subsidiary** also means any for-profit entity: (i) that is not formed as a partnership, (ii) of which the **Named Entity** first had **Management Control** during the **Policy Period**, whether directly or indirectly through one or more other **Subsidiaries**, and (iii) whose assets amount to:

- (1) less than 25% of the total consolidated assets of each and every **Organization** as reported in the **Named Entity's** most recent public filing; or
- (2) 25% or more of those total consolidated assets, but such entity shall be a "**Subsidiary**" only: (i) for a period of sixty (60) days from the date the **Named Entity** first had **Management Control** of such entity; or (ii) until the end of the **Policy Period**, whichever expires or ends first (the "**Auto-Subsidiary Period**");

provided that, with respect only to entities described in subparagraph (2) above, the **Named Entity** or any other **Insured** shall report such **Subsidiary** to the **Insurer**, in writing, prior to the end of the **Policy Period**.

The **Insurer** shall extend coverage for any **Subsidiary** described in subparagraph (2) above, and any **Insured Person** thereof, beyond its respective **Auto-Subsidiary Period** if during such **Auto-Subsidiary Period**, the **Named Entity** shall have provided the **Insurer** with full particulars of the new **Subsidiary** and agreed to any additional premium and amendment of the provisions of this policy required by the **Insurer** relating to such **Subsidiary**. Further, coverage as shall be afforded to any **Subsidiary** and any **Insured Person** thereof is conditioned upon the **Named Entity** paying when due any additional premium required by the **Insurer** relating to such **Subsidiary**.

### C. *Former Subsidiaries*

In the event the **Named Entity** loses **Management Control** of a **Subsidiary** during or prior to the **Policy Period**, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this policy but only with respect to **Claims** for **Wrongful Acts** that occurred or are alleged to have occurred during the time that the **Named Entity** had **Management Control** of such entity either directly or indirectly through one or more of its **Subsidiaries**.

### D. *Scope Of Subsidiary Coverage*

Coverage as is afforded under this policy with respect to a **Claim** made against any **Subsidiary** and/or any **Insured Person** thereof shall only apply for **Wrongful Acts** committed or allegedly committed during the time that such **Subsidiary** and such **Insured Person** meet the respective definitions of **Subsidiary** and **Insured Person** set forth in this policy.

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## 11. APPLICATION AND UNDERWRITING

### A. *Application And Reliance*

The **Insurer** has relied upon the accuracy and completeness of the statements, warranties and representations contained in the **Application**. All such statements, warranties and representations are the basis for this policy and are to be considered as incorporated into this policy.

### B. *Renewal Application Procedure*

A written renewal application form is not required in order to receive a renewal quote from the **Insurer**, although the **Insurer** reserves the right to require specific information upon renewal.

### C. *Insured Person Coverage Non-Rescindable*

Under no circumstances shall the coverage provided by this policy for **Loss** under Insuring Agreement A. *Insured Person Coverage* be deemed void, whether by rescission or otherwise, once the premium has been paid.

### D. *Severability Of The Application*

The **Application** shall be construed as a separate application for coverage by each **Insured Person**. With respect to the **Application**, no knowledge possessed by any **Organization** or any **Insured Person** shall be imputed to any other **Insured Person**.

If the statements, warranties and representations in the **Application** were not accurate and complete and materially affected either the acceptance of the risk or the hazard assumed by the **Insurer** under the policy, then the **Insurer** shall have the right to void coverage under this policy, *ab initio*, with respect to:

- (1) **Loss** under Insuring Agreement B. *Indemnification Of Insured Person Coverage* for the indemnification of any **Insured Person** who knew, as of the inception date of the **Policy Period**, the facts that were not accurately and completely disclosed; and
- (2) **Loss** under Insuring Agreement C. *Organization Coverage* if any **Insured Person** who is or was a chief executive officer or chief financial officer of the **Named Entity** knew, as of the inception date of the **Policy Period**, the facts that were not accurately and completely disclosed.

The foregoing applies even if the **Insured Person** did not know that such incomplete or inaccurate disclosure had been provided to the **Insurer** or included within the **Application**.

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## 12. GENERAL TERMS AND CONDITIONS

### A. *Payments And Obligations Of Organizations And Others*

#### 1. *INDEMNIFICATION BY ORGANIZATIONS*

The **Organizations** agree to indemnify the **Insured Persons** and/or advance **Defense Costs** to the fullest extent permitted by law. If the **Insurer** pays under this policy any indemnification or advancement owed to any **Insured Person** by any **Organization** within an applicable Retention, then that **Organization** shall reimburse the **Insurer** for such amounts and such amounts shall become immediately due and payable as a direct obligation of the **Organization** to the **Insurer**. The failure of an **Organization** to perform any of its obligations to indemnify the **Insured Persons** and/or advance **Defense Costs** under this policy shall not impair the rights of any **Insured Person** under this policy.

#### 2. *OTHER INSURANCE AND INDEMNIFICATION*

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible directors and officers liability insurance, unless such other insurance is specifically written as excess insurance over the **Limit of Liability** provided by this policy. This policy shall specifically be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this policy may be obligated to pay **Loss**. Such insurance as is provided by this policy shall apply as primary to any personal "umbrella" excess liability insurance purchased by an **Insured Person**.

With respect to **Employment Practices Claims**, such insurance as is provided by this policy shall apply only as excess of any other valid and collectible employment practices liability insurance, unless such other insurance is specifically written as excess insurance over the **Limit of Liability** provided by this policy. If according to the terms and conditions of any employment practices liability insurance policy providing coverage for an **Employment Practices Claim** made against an **Insured**, an insurer issuing such policy is not liable for **Loss**, then the **Insurer** shall be liable for payment of the portion of such **Loss** constituting covered **Loss** under this policy (specifically excess of any other valid and collectible employment practices liability insurance providing coverage for such **Loss**).

In the event of a **Claim** made against an **Outside Entity Executive**, coverage as is afforded by this policy, whether under the *Insured Person Coverage* or the *Indemnification Of Insured Person Coverage*, shall be specifically excess of: (a) any indemnification provided by an **Outside Entity**; and (b) any insurance coverage afforded to an **Outside Entity** or its **Executives** applicable to such **Claim**. Further, in the event such other **Outside Entity** insurance is provided by the **Insurer** or any other insurance company affiliate thereof ("**Other Policy**") (or would be provided but for the application of the retention amount, exhaustion of the limit of liability or failure to submit a notice of a claim as required), then the **Insurer's** maximum aggregate **Limit of Liability** for all **Loss** under this policy, as respects any such **Claim**, shall be reduced by the amount recoverable under such **Other Policy** for loss incurred in connection with such **Claim**.

#### 3. *SUBROGATION*

To the extent of any payment under this policy, the **Insurer** shall be subrogated to all of the **Organizations'** and **Insureds'** rights of recovery. Each **Organization** and each **Insured Person** shall execute all papers reasonably required and provide reasonable assistance and cooperation in securing or enabling the **Insurer** to exercise subrogation rights or any other rights, directly or in the name of the **Organization** or any **Insured Person**.

In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this policy unless the Conduct Exclusion applies with regard to such **Insured**.

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#### 4. RECOVERY OF LIMITS

In the event the **Insurer** recovers amounts it paid under this policy, the **Insurer** will reinstate the **Limits of Liability** of this policy to the extent of such recovery, less its costs incurred in administering and obtaining such recovery. The **Insurer** assumes no duty to seek a recovery of any amounts paid under this policy. The **Insurer**, in its sole and absolute discretion, shall determine the amounts to be credited, if any, toward a reinstatement of the **Limits of Liability**.

#### B. Cancellation

The **Named Entity** may cancel this policy at any time by mailing written prior notice to the **Insurer** or by surrender of this policy to the **Insurer** or its authorized agent. This policy may only be canceled by or on behalf of the **Insurer** in the event of non-payment of premium by the **Named Entity**. In the event of non-payment of premium by the **Named Entity**, the **Insurer** may cancel this policy by delivering to the **Named Entity** or by mailing to the **Named Entity**, by registered, certified, or other first class mail, at the **Named Entity Address**, written notice stating when, not less than 15 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The **Policy Period** terminates at the date and hour specified in such notice, or at the date and time of surrender. The **Insurer** shall have the right to the premium amount for the portion of the **Policy Period** during which the policy was in effect. If the **Named Entity** shall cancel this policy, the **Insurer** shall retain the *pro rata* proportion of the premium herein.

#### C. Notice And Authority

The **Named Entity** shall act on behalf of its **Subsidiaries** and each and every **Insured** with respect to the giving of notice of a **Claim, Pre-Claim Inquiry, Crisis** or circumstance, the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy, and the receipt and acceptance of any endorsements issued to form a part of this policy and the exercising or declining of any right to a **Discovery Period**; provided, however, that the foregoing shall not limit the ability of an **Organization** or **Insured** to provide notice of a **Claim, Pre-Claim Inquiry, Crisis** or circumstance in accordance with Clause 7. *Notice And Reporting*, or to elect discovery and pay the **Additional Premium Amount** (as defined in Clause 8. *Discovery*).

#### D. Currency

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or other elements of **Loss** are stated or incurred in a currency other than United States of America dollars, payment of covered **Loss** due under this policy (subject to the terms, conditions and limitations of this policy) will be made either in such other currency (at the option of the **Insurer** and if agreeable to the **Named Entity**) or, in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the **Insurer's** obligation to pay such **Loss** is established (or if not published on such date the next publication date of The Wall Street Journal).

#### E. Assignment

This policy and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

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*F. Disputes**1. ALTERNATIVE DISPUTE RESOLUTION**ADR Options*

All disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, shall be submitted to an alternative dispute resolution (ADR) process as provided in this clause. The **Named Entity** may elect the type of ADR process discussed below; provided, however, that absent a timely election, the **Insurer** may elect the type of ADR. In that case, the **Named Entity** shall have the right to reject the **Insurer's** choice of the type of ADR process at any time prior to its commencement, after which, the **Insured's** choice of ADR shall control.

*Mediation*

In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 90 days shall have elapsed from the date of the termination of the mediation.

*Arbitration*

In the event of arbitration, the decision of the arbitrator(s) shall be final, binding and provided to both parties, and the arbitration award shall not include attorney's fees or other costs.

*ADR Process*

*Selection of Arbitrator(s) or Mediator:* The **Insurer** and the **Named Entity** shall mutually consent to: (i) in the case of arbitration, an odd number of arbitrators which shall constitute the arbitration panel, or (ii) in the case of mediation, a single mediator. The arbitrator, arbitration panel members or mediator must be disinterested and have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the absence of agreement, the **Insurer** and the **Named Entity** each shall select one arbitrator, the two arbitrators shall select a third arbitrator, and the panel shall then determine applicable procedural rules.

*ADR Rules:* In considering the construction or interpretation of the provisions of this policy, the mediator or arbitrator(s) must give due consideration to the general principles of the law of the **State of Formation** of the **Named Entity**. Each party shall share equally the expenses of the process elected. At the election of the **Named Entity**, either choice of ADR process shall be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state reflected in the **Named Entity Address**. The **Named Entity** shall act on behalf of each and every **Insured** under this *Alternative Dispute Resolution Clause*. In all other respects, the **Insurer** and the **Named Entity** shall mutually agree to the procedural rules for the mediation or arbitration. In the absence of such an agreement, after reasonable diligence, the arbitrator(s) or mediator shall specify commercially reasonable rules.

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## 2. ACTION AGAINST INSURER

Except as provided in Clause 12.F.1. *Alternative Dispute Resolution*, no action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, or until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against such **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the **Insurer**.

Any **Insured** or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **Insurer** as a party to any action against any **Insured** or **Organization** to determine the **Insured's** liability, nor shall the **Insurer** be impleaded by any **Insured Person**, his or her spouse or legally recognized domestic partner, any **Organization** or any legal representative of the foregoing.

### G. Spousal, Domestic Partner And Legal Representative Extension

If a **Claim** against an **Insured Person** includes a **Claim** against: (i) the lawful spouse or legally recognized domestic partner of such **Insured Person**; or (ii) a property interest of such spouse or domestic partner, and such **Claim** arises from any actual or alleged **Wrongful Act** of such **Insured Person**, this policy shall pay covered **Loss** arising from the **Claim** made against such spouse or domestic partner or the property of such spouse or domestic partner to the extent that such **Loss** does not arise from a **Claim** for any actual or alleged act, error or omission of such spouse or domestic partner. This policy shall pay covered **Loss** arising from a **Claim** made against the estates, heirs, or legal representatives of any deceased **Insured Person**, and the legal representatives of any **Insured Person** in the event of incompetence, insolvency or bankruptcy, who was an **Insured Person** at the time the **Wrongful Acts** upon which such **Claim** is based were alleged to have been committed.

### H. Conformance To Law

In the event that there is an inconsistency between: (i) any period of limitation in this policy relating to the giving of notice of cancellation or discovery/extended reporting election, and (ii) the minimum or maximum period required by applicable law, where such law allows, the **Insurer** will resolve the inconsistency by applying the notice period that is more favorable to the **Insureds**. Otherwise, the notice period is hereby amended to the extent necessary to conform to applicable law.

Coverage under this policy shall not be provided to the extent prohibited by any law.

### I. Headings

The descriptions in the headings and the Guide of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

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## 13. DEFINITIONS

Terms with "**Bold**" typeface are used in this policy with the meanings and values ascribed to them below and/or in the Declarations:

- Application** means:
- (1) the written statements and representations made by an **Insured** and provided to the **Insurer** during the negotiation of this policy, or contained in any application or other materials or information provided to the **Insurer** in connection with the underwriting of this policy;
  - (2) all warranties executed by or on behalf of an **Insured** and provided to the **Insurer** in connection with the underwriting of this policy or the underwriting of any other directors and officers (or equivalent) liability policy issued by the **Insurer**, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time; and
  - (3) each and every public filing by or on behalf of an **Organization** made with the SEC, including but not limited to the **Organization's** Annual Report(s), 10Ks, 10Qs, 8Ks and proxy statements, any financial information in such filings, and any certifications relating to the accuracy of the foregoing, provided that such public filing was filed during the 12 month period immediately preceding the inception of the **Policy Period**.
- Asset Protection Costs** means reasonable and necessary fees, costs and expenses consented to by the **Insurer** incurred by an **Executive** of an **Organization** to oppose any efforts by an **Enforcement Body** to seize or otherwise enjoin the personal assets or real property of such **Executive** or to obtain the discharge or revocation of a court order entered during the **Policy Period** in any way impairing the use thereof.
- Claim** means:
- (1) a written demand for monetary, non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process;
  - (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by: (i) service of a complaint or similar pleading; (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or (iii) receipt or filing of a notice of charges;
  - (3) an **Insured Person Investigation**;
  - (4) a **Derivative Demand**;
  - (5) an official request for **Extradition** of any **Insured Person**, or the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**.
- "**Claim**" shall include any **Securities Claim** and any **Employment Practices Claim**.
- Crisis** has the meaning as defined in the CrisisFund® Appendix attached to this policy.
- CrisisFund®** means in the case of all **Crisis Loss**, including **Delisting Crisis Loss**, \$100,000 for all **Crisis Loss** in the aggregate for all **Crises** first occurring during the **Policy Period** or any applicable **Discovery Period**.

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<b>Crisis Loss</b>	has the meaning as defined in the CrisisFund® Appendix attached to this policy. " <b>Delisting Crisis Loss</b> " means a <b>Crisis Loss</b> resulting solely from a <b>Delisting Crisis</b> (as defined in the CrisisFund® Appendix).
<b>Defense Costs</b>	means reasonable and necessary fees, costs and expenses consented to by the <b>Insurer</b> (including the cost of <b>E-Discovery Consultant Services</b> and premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) resulting solely from: <ol style="list-style-type: none"> <li>(1) the investigation, adjustment, defense and/or appeal of a <b>Claim</b> against an <b>Insured</b>; or</li> <li>(2) an <b>Insured Person</b> lawfully: (i) opposing, challenging, resisting or defending against any request for or any effort to obtain the <b>Extradition</b> of that <b>Insured Person</b>; or (ii) appealing any order or other grant of <b>Extradition</b> of that <b>Insured Person</b>.</li> </ol> <p><b>Defense Costs</b> shall not include: (i) <b>Derivative Investigation Costs</b>, (ii) <b>Pre-Claim Inquiry Costs</b>, or (iii) the compensation of any <b>Insured Person</b>.</p>
<b>Derivative Demand</b>	means a written demand by any shareholder of an <b>Organization</b> upon the board of directors (or equivalent management body) of such <b>Organization</b> to commence a civil action on behalf of the <b>Organization</b> against any <b>Executive</b> of the <b>Organization</b> for any actual or alleged wrongdoing on the part of such <b>Executive</b> .
<b>Derivative Investigation</b>	means, after receipt by any <b>Insured</b> of a <b>Claim</b> that is either a <b>Derivative Suit</b> or a <b>Derivative Demand</b> , any investigation conducted by the <b>Organization</b> , or on behalf of the <b>Organization</b> by its board of directors (or the equivalent management body) or any committee of the board of directors (or equivalent management body), as to how the <b>Organization</b> should respond.
<b>Derivative Investigation Costs</b>	means reasonable and necessary costs, charges, fees and expenses consented to by the <b>Insurer</b> and incurred by the <b>Organization</b> , or on behalf of the <b>Organization</b> by its board of directors (or the equivalent management body) or any committee of the board of directors (or equivalent management body), in connection with a <b>Derivative Investigation</b> . <b>Derivative Investigation Costs</b> shall not include the compensation of any <b>Insured Person</b> .
<b>Derivative Suit</b>	means a lawsuit purportedly brought derivatively on behalf of an <b>Organization</b> by a shareholder of such <b>Organization</b> against an <b>Executive</b> of the <b>Organization</b> .
<b>E-Discovery Consultant Services</b>	means solely the following services performed by an <b>E-Consultant Firm</b> : <ol style="list-style-type: none"> <li>(1) assisting the <b>Insured</b> with managing and minimizing the internal and external costs associated with the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information ("<b>E-Discovery</b>");</li> </ol>

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- (2) assisting the **Insured** in developing or formulating an **E-Discovery** strategy which shall include interviewing qualified and cost effective **E-Discovery** vendors;
- (3) serving as project manager, advisor and/or consultant to the **Insured**, defense counsel and the **Insurer** in executing and monitoring the **E-Discovery** strategy; and
- (4) such other services provided by the **E-Consultant Firm** that the **Insured**, **Insurer** and **E-Consultant Firm** agree are reasonable and necessary given the circumstances of the **Securities Claim**.

**Employee** means any past, present or future employee, other than an **Executive** of an **Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any full-time, part-time, seasonal and temporary employee.

**Employment Practices Claim** means a Claim alleging any:

- (1) **Employment Practices Violation**; or
- (2) **Third-Party EPL Violation**.

**Employment Practices Retention** means the Retention applicable to **Loss** that arises out of an **Employment Practices Claim**.

**Employment Practices Violation** means any actual or alleged:

- (1) wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract;
- (2) harassment (including workplace bullying, sexual harassment whether "quid pro quo", hostile work environment or otherwise);
- (3) discrimination (including, but not limited to, discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
- (4) **Retaliation**;
- (5) employment-related misrepresentation(s) to an **Employee** of the **Organization**;
- (6) employment-related libel, slander, humiliation, defamation or invasion of privacy;
- (7) wrongful failure to employ or promote;
- (8) wrongful deprivation of career opportunity with the **Organization**, wrongful demotion or negligent **Employee** evaluation, including the giving of negative or defamatory statements in connection with an employee reference;
- (9) wrongful discipline;
- (10) failure to grant tenure; or

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(11)with respect to any of the foregoing items (1) through (10) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;

but only if the **Employment Practices Violation** relates to an **Employee** of an **Organization** or an **Outside Entity**, or an applicant for employment with an **Organization** or an **Outside Entity**, whether committed directly, indirectly, intentionally or unintentionally.

**Enforcement Body**

means: (i) any federal, state, local or foreign law enforcement authority or other governmental investigative authority (including, but not limited to, the U.S. Department of Justice, the U.S. Securities and Exchange Commission and any attorney general), or (ii) the enforcement unit of any securities or commodities exchange or other self-regulatory organization.

**Executive**

means any:

- (1) past, present and future duly elected or appointed director, officer, trustee or governor of a corporation, management committee member of a joint venture and member of the management board of a limited liability company (or equivalent position);
- (2) past, present and future person in a duly elected or appointed position in an entity organized and operated in a **Foreign Jurisdiction** that is equivalent to an executive position listed in subparagraph (1) above, or a member of the senior-most executive body (including, but not limited to, a supervisory board); and
- (3) past, present and future General Counsel and Risk Manager (or equivalent position) of the **Named Entity**.

**Extradition**

means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

**Extradition Costs**

means **Defense Costs** incurred by an **Insured** in lawfully opposing any effort to obtain the **Extradition** of an **Insured Person**.

**Foreign Jurisdiction**

means any jurisdiction, other than the United States of America or any of its territories or possessions.

**Foreign Policy**

means the standard executive managerial liability policy (including all mandatory endorsements, if any) approved by the **Insurer** or any of its affiliates to be sold within a **Foreign Jurisdiction** that provides coverage substantially similar to the coverage afforded under this policy. If more than one such policy exists, then "**Foreign Policy**" means the standard basic policy form most recently offered for sale for comparable risks by the **Insurer** or any of its affiliates in that **Foreign Jurisdiction**. The term "**Foreign Policy**" shall not include any partnership managerial, pension trust or professional liability coverage.

**Insured**

means any:

- (1) **Insured Person**; or
- (2) **Organization**.

## Executive Edge

**Insured Person**

means any:

- (1) **Executive** of an **Organization**;
- (2) **Employee** of an **Organization**; or
- (3) **Outside Entity Executive**.

**Insured Person Investigation**

means any civil, criminal, administrative or regulatory investigation of an **Insured Person**:

- (1) once the **Insured Person** is identified in writing by an **Enforcement Body** as a target of an investigation that may lead to a criminal, civil, administrative, regulatory or other enforcement proceeding;
- (2) in the case of an investigation by the SEC or any state, local or foreign body with similar regulation or enforcement authority, after the service of a subpoena (or in a **Foreign Jurisdiction**, the equivalent legal process) upon the **Insured Person**; or
- (3) commenced by the arrest and detainment or incarceration for more than 24 hours of an **Insured Person** by any law enforcement authority in a **Foreign Jurisdiction**.

Writings which may identify an **Insured Person** as a target can include a target or "Wells" letter, whether or not labeled as such.

**Liberty Protection Costs**

means:

- (1) reasonable and necessary fees, costs and expenses consented to by the **Insurer** and incurred by an **Insured Person** in order for an **Insured Person** to lawfully seek the release of the **Insured Person** from any pre-**Claim** arrest or confinement to a (i) specified residence or (ii) secure custodial premises operated by or on behalf of any law enforcement authority; or
- (2) reasonable and necessary premiums (but not collateral) consented to by the **Insurer** and incurred by an **Insured Person** for a bond or other financial instrument to guarantee the contingent obligation of the **Insured Person** for a specified amount required by a court that are incurred or required outside the United States of America during the **Policy Period**, if such premiums: (i) arise out of an actual or alleged **Wrongful Act**, or (ii) are incurred solely by reason of such **Insured Person's** status as an **Executive** or **Employee** of an **Organization**; and, in either case, no **Claim** has been made and no **Pre-Claim Inquiry** is known.

**Loss**

means damages, settlements, judgments (including pre/post-judgment interest on a covered judgment), **Defense Costs**, **Crisis Loss**, **Derivative Investigation Costs**, **Liberty Protection Costs** and **Pre-Claim Inquiry Costs**; however, "**Loss**" (other than **Defense Costs**) shall not include: (1) civil or criminal fines or penalties; (2) taxes; (3) punitive or exemplary damages; (4) the multiplied portion of multiplied damages; (5) cleanup costs relating to hazardous materials, pollution or product defects; (6) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**; and (7) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed. Notwithstanding the foregoing subparagraph (7), the **Insurer** shall not assert that, in a **Securities Claim** alleging violations of Section 11, 12 or 15 of the Securities Act of

## Executive Edge



1933, as amended, the portion of any amounts incurred by **Insureds** which is attributable to such violations constitutes uninsurable loss, and, unless precluded from doing so in a court order, shall treat that portion of all such settlements, judgments and **Defense Costs** as constituting **Loss** under this policy.

Notwithstanding the foregoing paragraph, **Loss** shall specifically include (subject to this policy's other terms, conditions and limitations, including but not limited to the Conduct Exclusion): (1) civil penalties assessed against any **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2(g)(2)(B); and (2) solely with respect to **Claims** other than **Employment Practices Claims**, punitive, exemplary and multiplied damages. Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such penalties and punitive, exemplary and multiple damages.

In the event of a **Claim** alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity is inadequate, **Loss** with respect to such **Claim** shall not include any amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased; provided, however, that this paragraph shall not apply to **Defense Costs** or to any **Non-Indemnifiable Loss** in connection therewith.

**Management Control**

means:

- (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company; or
- (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an **Organization**, to elect, appoint or designate a majority of: the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.

**Non-Indemnifiable Loss**

means **Loss** for which an **Organization** has neither indemnified nor is permitted or required to indemnify an **Insured Person** pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of an **Organization**.

**Organization**

means:

- (1) the **Named Entity**;
- (2) each **Subsidiary**; and
- (3) in the event a bankruptcy proceeding shall be instituted by or against any of the foregoing entities, the resulting debtor-in-possession (or equivalent status outside the United States of America), if any.

## Executive Edge



- Outside Entity** means any: (1) not-for-profit entity; or (2) other entity listed as an "**Outside Entity**" in an endorsement attached to this policy.
- Outside Entity Executive** means any: (1) **Executive** of an **Organization** who is or was acting at the specific request or direction of an **Organization** as an **Executive** of an **Outside Entity**; or (2) any other person listed as an **Outside Entity Executive** in an endorsement attached to this policy.
- In the event of a disagreement between the **Organization** and an **Outside Entity Executive** as to whether such **Insured** was acting "at the specific request or direction of the **Organization**," this policy shall abide by the determination of the **Organization** on this issue and such determination shall be made by written notice to the **Insurer** within ninety (90) days after the **Claim** against such **Outside Entity Executive** is made. In the event no notice of any such determination is given to the **Insurer** within such period, this policy shall apply as if the **Organization** determined that such **Outside Entity Executive** was not acting at the **Organization's** specific request or direction.
- Personal Reputation Crisis** means any negative statement that is included in any press release or published by any print or electronic media outlet regarding an **Executive** of an **Organization** made during the **Policy Period** by any individual authorized to speak on behalf of an **Enforcement Body**.
- Personal Reputation Expenses** means reasonable and necessary fees, costs and expenses of a **Crisis Firm** (as defined in the CrisisFund® Appendix attached to this policy) retained within 30 days of a **Personal Reputation Crisis** solely and exclusively by an **Executive** to mitigate the adverse effects specifically to such **Executive's** reputation from a **Personal Reputation Crisis**. "**Personal Reputation Expenses**" shall not include any fees, costs or expenses of any **Crisis Firm** incurred by an **Executive** if such **Crisis Firm** is also retained by or on behalf of an **Organization**.
- Policy Period** means the period of time from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in such Item 2 or the effective date of cancellation of this policy.
- Pre-Claim Inquiry** means any pre-**Claim**:
- (1) verifiable request for an **Insured Person** of any **Organization**: (a) to appear at a meeting or interview; or (b) produce documents that, in either case, concerns the business of that **Organization** or that **Insured Person's** insured capacities, but only if the request came from any:
    - (i) **Enforcement Body**; or
    - (ii) **Organization**, or, on behalf of an **Organization**, by its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body):
      - (A) arising out of an inquiry or investigation by an **Enforcement Body** concerning the business of that **Organization** or that **Insured Person's** insured capacities; or
      - (B) as part of its **Derivative Investigation**; and

## Executive Edge



(2) arrest or confinement of an **Executive** of an **Organization** to a: (a) specified residence; or (b) secure custodial premises operated by or on behalf of an **Enforcement Body**, in connection with the business of any **Organization** or an **Insured Person's** capacity as an **Executive** or **Employee** of an **Organization**.

"**Pre-Claim Inquiry**" shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in an **Organization's** and/or **Enforcement Body's** normal review or compliance process.

**Pre-Claim Inquiry Costs**

means the reasonable and necessary pre-**Claim** fees, costs and expenses consented to by the **Insurer** and incurred by an **Insured Person** solely in connection with his/her preparation for and response to a **Pre-Claim Inquiry** directed to such **Insured Person**, including attendance at an interview or meeting requested by an **Enforcement Body**, but excluding (i) any compensation of any **Insured Person**; and (ii) the costs of complying with any formal or informal discovery or other request seeking documents, records or electronic information in the possession or control of an **Organization**, the requestor or any other third party .

**Related Claim**

means a **Claim** alleging, arising out of, based upon or attributable to any facts or **Wrongful Acts** that are the same as or related to those that were either: (i) alleged in another **Claim** made against an **Insured**; or (ii) the subject of a **Pre-Claim Inquiry** received by an **Insured Person**.

**Related Pre-Claim Inquiry**

means a **Pre-Claim Inquiry** involving, arising out of, based upon or attributable to any facts or **Wrongful Acts** that are the same as or related to those that were either: (i) alleged in a **Claim** made against an **Insured**; or (ii) the subject of another **Pre-Claim Inquiry** received by an **Insured Person**.

**Retaliation**

means a retaliatory act of an **Insured** alleged to be in response to any of the following activities: (i) the disclosure or threat of disclosure by an **Employee** of the **Organization** or an **Outside Entity** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; (ii) the actual or attempted exercise by an **Employee** of the **Organization** or an **Outside Entity** of any right that such **Employee** has under law, including rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights; (iii) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or (iv) strikes of an **Employee** of the **Organization** or an **Outside Entity**.

## Executive Edge



- Securities Claim** means a **Claim**, other than an administrative or regulatory proceeding against, or investigation of an **Organization**, made against any **Insured**:
- (1) alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities (including but not limited to the purchase or sale or offer or solicitation of an offer to purchase or sell securities) which is:
    - (i) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any securities of an **Organization**; or
    - (ii) brought by a security holder of an **Organization** with respect to such security holder's interest in securities of such **Organization**; or
  - (2) which is a **Derivative Suit**.
- Notwithstanding the foregoing, the term "**Securities Claim**" shall include an administrative or regulatory proceeding against an **Organization** that meets the requirements of subparagraph (1) above, but only if and only during the time that such proceeding is also commenced and continuously maintained against an **Insured Person**.
- Securities Retention** means the Retention applicable to **Loss** (including **Pre-Claim Inquiry Costs**) that arises out of (i) a **Securities Claim**, or (ii) **Pre-Claim Inquiry Costs** incurred in response to: (a) a **Pre-Claim Inquiry** by an **Enforcement Body** charged with the regulation of securities, or (b) a **Derivative Investigation**.
- SOX 304 Costs** means the reasonable and necessary fees, costs and expenses consented to by the **Insurer** (including the premium or origination fee for a loan or bond) and incurred by the chief executive officer or chief financial officer of the **Named Entity** solely to facilitate the return of amounts required to be repaid by such **Executive** pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002. **SOX 304 Costs** do not include the payment, return, reimbursement, disgorgement or restitution of any such amounts requested or required to be repaid by such **Executive** pursuant to Section 304(a).
- Subsidiary** means:
- (1) any for-profit entity that is not formed as a partnership of which the **Named Entity** has or had **Management Control** on or before the inception of the **Policy Period** either directly or indirectly through one or more of its other **Subsidiaries**; and
  - (2) any not-for-profit entity sponsored exclusively by an **Organization**.
- A for-profit entity ceases to be a **Subsidiary** when the **Named Entity** no longer maintains **Management Control** of such entity either directly or indirectly through one or more of its **Subsidiaries**. A not-for-profit entity ceases to be a **Subsidiary** when such entity is no longer sponsored exclusively by an **Organization**.

## Executive Edge


**Third-Party  
EPL Violation**

means any actual or alleged harassment or unlawful discrimination, as described in subparagraphs (2) and (3) of the definition of **Employment Practices Violation**, or the violation of the civil rights of a person relating to such harassment or discrimination, when such acts are alleged to be committed against anyone other than an **Insured Person** or applicant for employment with the **Organization** or an **Outside Entity**, including, but not limited to, students, patients, members, customers, vendors and suppliers.

**Transaction**

means:

- (1) the **Named Entity** consolidating with or merging into another entity such that the **Named Entity** is not the surviving entity, or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert;
- (2) any person or entity or group of persons or entities acting in concert acquiring **Management Control** of the **Named Entity**; or
- (3) the appointment by any **Enforcement Body** of, or where any **Enforcement Body** assumes the role of, a trustee, receiver, conservator, rehabilitator, liquidator or similar official to take control of, supervise or oversee the **Named Entity**, or to liquidate or sell all or substantially all of the assets of the **Named Entity**.

**UK Corporate  
Manslaughter Act  
Defense Costs**

means **Defense Costs** incurred by an **Insured Person** that result solely from the investigation, adjustment, defense and/or appeal of a **Claim** against an **Organization** for violation of the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007 or any similar statute in any jurisdiction.

**Wrongful Act**

means:

- (1) any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act or any actual or alleged **Employment Practices Violation** or **Third-Party EPL Violation**:
  - (i) with respect to any **Executive** of an **Organization**, by such **Executive** in his or her capacity as such or any matter claimed against such **Executive** solely by reason of his or her status as such;
  - (ii) with respect to any **Employee** of an **Organization**, by such **Employee** in his or her capacity as such, but solely in regard to any: (a) **Securities Claim**; or (b) other **Claim** so long as such other **Claim** is also made and continuously maintained against an **Executive** of an **Organization**; or
  - (iii) with respect to any **Outside Entity Executive**, by such **Outside Entity Executive** in his or her capacity as such or any matter claimed against such **Outside Entity Executive** solely by reason of his or her status as such; or
- (2) with respect to an **Organization**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by such **Organization**, but solely in regard to a **Securities Claim**.

## CRISISFUND® APPENDIX

## I. DEFINITIONS

(a) "Crisis" means:

(1) a **Delisting Crisis**; or(2) one of the following events which, in the good faith opinion of the Chief Financial Officer of an **Organization** did cause or is reasonably likely to cause a "**Material Effect on an Organization's Common Stock Price**":(i) Negative earning or sales announcement

The public announcement of an **Organization's** past or future earnings or sales, which is substantially less favorable than any of the following: (i) an **Organization's** prior year's earnings or sales for the same period; (ii) an **Organization's** prior public statements or projections regarding earnings or sales for such period; or (iii) an outside securities analyst's published estimate of an **Organization's** earnings or sales.

(ii) Loss of a patent, trademark or copyright or major customer or contract

The public announcement of an unforeseen loss of: (i) an **Organization's** intellectual property rights for a patent, trademark or copyright, other than by expiration; (ii) a major customer or client of an **Organization**; or (iii) a major contract with an **Organization**.

(iii) Product recall or delay

The public announcement of the recall of a major product of an **Organization** or the unforeseen delay in the production of a major product of an **Organization**.

(iv) Mass tort

The public announcement or accusation that an **Organization** has caused the bodily injury, sickness, disease, death or emotional distress of a group of persons, or damage to or destruction of any tangible group of properties, including the loss of use thereof.

(v) Employee layoffs or loss of key executive officer(s)

The public announcement of layoffs of **Employees** of an **Organization**. The death or resignation of one or more key **Executives** of the **Named Entity**.

(vi) Elimination or suspension of dividend

The public announcement of the elimination or suspension of a regularly scheduled dividend previously being paid by an **Organization**.

(vii) Write-off of assets

The public announcement that an **Organization** intends to write off a material amount of its assets.

(viii) Debt restructuring or default

The public announcement that an **Organization** has defaulted or intends to default on its debt or intends to engage in a debt restructuring.

(ix) Bankruptcy

The public announcement that an **Organization** intends to file for bankruptcy protection or that a third party is seeking to file for involuntary bankruptcy on behalf of an **Organization**; or that bankruptcy proceedings are imminent, whether voluntary or involuntary.

(x) Governmental or regulatory litigation

The public announcement of the commencement or threat of commencement of litigation or governmental or regulatory proceedings against an **Organization**.

(xi) Unsolicited takeover bid

An unsolicited written offer or bid by any person or entity other than an **Insured** or any affiliate of any **Insured**, whether publicly announced or privately made to an **Executive** of an **Organization**, to effect a **Transaction** of the **Named Entity**.

A **Crisis** shall first commence when an **Organization** or any of its **Executives** shall first become aware of such **Crisis**. A **Crisis** shall conclude once a **Crisis Firm** advises an **Organization** that such **Crisis** no longer exists or when the **CrisisFund** has been exhausted.

- (b) "**Crisis Firm**" means any public relations firm, crisis management firm or law firm on the list of approved firms that is accessible through the online directory at <http://www.chartisinsurance.com/panelcounseldirectory> under the "CrisisFund®" link. Solely for **Delisting Crises**, "**Crisis Firm**" shall also include any **Panel Counsel** (as defined in Clause 9.B. of the policy) approved to handle **Securities Claims**. Any "**Crisis Firm**" may be hired by an **Organization** to perform **Crisis Services** without further approval by the **Insurer**.
- (c) "**Crisis Loss**" means the following amounts incurred during the pendency of a **Crisis** for which an **Organization** is legally liable:
- (1) the reasonable and necessary fees and expenses incurred by a **Crisis Firm** in the performance of **Crisis Services** for an **Organization**;
  - (2) the reasonable and necessary fees and expenses incurred in the printing, advertising or mailing of materials; and
  - (3) travel costs incurred by **Executives**, employees or agents of an **Organization** or of the **Crisis Firm**, arising from or in connection with the **Crisis**.
- (d) "**Crisis Services**" means those services performed by a **Crisis Firm** in advising an **Insured** or any **Employee** of an **Organization** on minimizing potential harm to an **Organization** from the **Crisis** (including but not limited to maintaining and restoring investor confidence in an **Organization**), and solely with respect to **Delisting Crisis Loss**, any legal services performed by a **Crisis Firm** in responding to a **Delisting Crisis**.
- (e) "**Delisting Crisis**" means written notice to an **Organization** that such **Organization's** securities will be or have been delisted from an **Exchange** at the initiation of such **Exchange**.
- (f) "**Exchange**" means NASDAQ, the American Stock Exchange, the New York Stock Exchange and the Singapore Exchange.
- (g) "**Material Effect on an Organization's Common Stock Price**" means, within a period of 24 hours, that the price per share of an **Organization's** common stock shall decrease by the greater of \$2.00, or 15% net of the percentage change in the Standard & Poor's Composite Index.

## II. EXCLUSIONS

The term **Crisis** shall not include any event relating to any **Claim** which has been reported, or any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time.

**ENDORSEMENT# 1**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**ECONOMIC SANCTIONS ENDORSEMENT**

*This endorsement modifies insurance provided under the following:*

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

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**END 001**

Page 1 of 1

**ENDORSEMENT# 2**

This endorsement, effective *12:01 am November 1, 2019* forms a part of policy number *02-382-05-01* issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**TEXAS AMENDATORY ENDORSEMENT  
CANCELLATION AND NONRENEWAL**

Wherever used in this endorsement: 1)"Insurer" means the insurance company which issued this policy; and 2) "Insured" means the Named Corporation, Named Organization, Named Sponsor, or Named Insured stated in the declarations page; and 3) "Liability insurance" means the following types of insurance: general liability, professional liability other than medical professional liability, commercial multi-peril coverage, and any other types of lines of liability insurance designated by the State Board of Insurance.

It is hereby agreed that the cancellation provision of this policy is deleted in its entirety and replaced by the following:

**CANCELLATION AND NONRENEWAL**

A. Cancellation

1. This policy may be canceled by the Insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective.
2. Except as provided by subsection A.3. below, the Insurer may not cancel this policy if it is:
  - a) a policy of liability insurance that is a renewal or continuation policy; or
  - b) a policy of liability insurance that is in its initial policy period after the 60th day following the date on which the policy was issued.
3. The Insurer may cancel this policy at any time during the term of the policy for the following reasons:
  - a) fraud in obtaining coverage;
  - b) failure to pay premiums when due;
  - c) an increase in hazard within the control of the Insured or Other Insured(s) which would produce an increase in rate;
  - d) loss of the Insurer's reinsurance covering all or part of the risk covered by the policy; or

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**END 002**

**ENDORSEMENT# 2** (continued)

- e) the Insurer being placed in supervision, conservatorship, or receivership, if the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.
4. The Insurer shall deliver or mail to the Insured first named in the Declarations written notice of cancellation at the address shown on the policy not less than the 10th day before the date on which the cancellation takes effect. Such written notice shall state the reasons(s) for cancellation.
  5. The Insurer may not cancel this policy based solely on the fact that the Insured is an elected official.
  6. If this policy provides property coverage or general liability coverage under a commercial property, commercial general liability, commercial multi-peril or business owner policy, and covers a condominium association, and the condominium Property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the First Named Insured thirty (30) days before the effective date of cancellation. The Insurer will also provide thirty (30) days written notice to each unit-owner to whom the Insurer issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to the Insurer.

**B. Nonrenewal**

1. The Insurer may refuse to renew this policy by delivering or mailing to the Insured first named in the Declarations written notice of nonrenewal at the address shown on the policy. Such written notice shall state the reason(s) for nonrenewal. The notice must be delivered or mailed not later than the 60th day before the date on which the policy expires. If the notice is delivered or mailed later than the 60th day before the date on which the policy expires, the coverage shall remain in effect until the 61 day after the date on which the notice is delivered or mailed. If notice is delivered or mailed, proof of delivery or mailing will be sufficient proof of notice. Earned premium for any period of coverage that extends beyond the expiration date of the policy shall be computed pro rata based on the previous year's rates.
2. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.
3. The Insurer may not refuse to renew this policy based solely on the fact that the Insured is an elected official.
4. If this policy provides property coverage or general liability coverage under a commercial property, commercial general liability, commercial multi-peril or business owner policy, and covers a condominium association, and the

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**END 002**

**ENDORSEMENT# 2** (continued)

condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the Insurer will mail or deliver written notice of nonrenewal, at least thirty (30) days before the expiration or anniversary date of the policy, to:

- a. The first Named Insured; and
- b. Each unit-owner to whom the Insurer issued a certificate or memorandum of insurance.

The Insurer will mail or deliver such notice to each last mailing address known to the Insurer.

All other terms, conditions and exclusions of the policy shall remain unchanged.



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**END 002**

**ENDORSEMENT# 3**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**BOOKS & RECORDS COSTS**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13, DEFINITIONS of the policy is amended as follows:

1. The definition of "**Derivative Investigation Costs**" is amended by adding the following:

**Derivative Investigation Costs** shall also include **Books & Records Costs**.

2. The following term is added:

**Books & Records Costs** means reasonable and necessary costs, charges, fees and expenses consented to by the **Insurer** and incurred by the **Organization** in response to a written demand by or on behalf of any shareholder of such **Organization** to inspect the books and records of such **Organization** pursuant to Section 220 of the Delaware General Corporation Law or any similar statute in any other jurisdiction.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 003**

Page 1 of 1

**ENDORSEMENT# 4**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

**CLAIMS PARTICIPATION AND COOPERATION CLAUSE AMENDED**

In consideration of the premium charged, it is hereby understood and agreed that the second paragraph of Clause 9.A(3) is deleted in its entirety and replaced with the following:

The failure of any **Insured** to give the **Insurer** cooperation and information as required in the preceding paragraph shall not impair the rights of any other **Insured Person** under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 004**

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**ENDORSEMENT# 5**

This endorsement, effective at 12:01AM November 01, 2019  
Policy number: 02-382-05-01  
Issued to: STAGE STORES, INC.

forms a part of

By: *Illinois National Insurance Company*

**ERISA EXCLUSION AMENDED**

**(CARVEBACK FOR NON-INDEMNIFIABLE LOSS)**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 4.B. *Exclusions*, paragraph (6) *ERISA* is deleted in its entirety and replaced with the following:

(6) *ERISA* for any violation of responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar provisions of any state, local or foreign statutory or common law; provided that this exclusion will not apply to **Non-Indemnifiable Loss**; or

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 005**

**ENDORSEMENT# 6**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**NOTICE AND REPORTING AMENDED  
(MATERIALLY PREJUDICE THRESHOLD)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 7.(a) *Reporting a Claim, Pre-Claim Inquiry or Crisis* is amended by adding the following paragraph to the end thereof:

Notwithstanding the foregoing, a failure to provide notice as soon as practicable shall not preclude coverage under the policy unless the **Insurer** has been materially prejudiced by such failure.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 006**

Page 1 of 1

**ENDORSEMENT# 7**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**PLAINTIFF ATTORNEYS' FEES**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS of the policy is amended as follows:

1. The definition of "**Loss**" is amended by adding the following:

**Loss** also means plaintiff attorneys' fees awarded or approved by a court in connection with a **Non-Monetary Settlement**, subject to Clause 9. DEFENSE AND SETTLEMENT.

2. The following term is added:

**Non-Monetary Settlement** means a settlement of a **Claim** brought by one or more shareholders of an **Organization**, either directly or derivatively on behalf of an **Organization**, wherein no monetary consideration would be received by such shareholder(s) or **Organization**, including but not limited to any such **Claim** alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity is inadequate.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 007**

Page 1 of 1

ENDORSEMENT# 8

This endorsement, effective at 12:01 am November 1, 2019 forms a part of  
Policy number 02-382-05-01  
Issued to: STAGE STORES, INC.

By: Illinois National Insurance Company  
Product Name: Executive Edge

**PRE-CLAIM INQUIRY AMENDED  
(BANKRUPTCY PROCEEDING; ADD DEPOSITION AND TRUSTEE OR AGENT APPROVED  
BY COURT)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the definition of "Pre-Claim Inquiry" in its entirety and replacing it with the following:

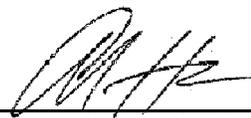
**Pre-Claim Inquiry** means any pre-Claim:

- (1) verifiable request for an **Insured Person** of any **Organization**: (a) to appear at a meeting, deposition or interview; or (b) produce documents that, in either case, concerns the business of that **Organization** or that **Insured Person's** insured capacities, but only if the request came from any:
  - (i) **Enforcement Body**;
  - (ii) **Organization**, or, on behalf of an **Organization**, by its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body):
    - (A) arising out of an inquiry or investigation by an **Enforcement Body** concerning the business of that **Organization** or that **Insured Person's** insured capacities; or
    - (B) as part of its **Derivative Investigation**; or
  - (iii) court-appointed examiner, trustee (including a trustee or agent approved by a court under a chapter 11 plan of reorganization), receiver, liquidator or rehabilitator of the **Organization** in any bankruptcy proceeding by or against the **Organization**; or
- (2) arrest or confinement of an **Executive** of an **Organization** to a: (a) specified residence; or (b) secure custodial premises operated by or on behalf of an **Enforcement Body**, in connection with the business of any **Organization** or an **Insured Person's** capacity as an **Executive** or **Employee** of an **Organization**.

ENDORSEMENT# 8 (continued)

"**Pre-Claim Inquiry**" shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in an **Organization's** and/or **Enforcement Body's** normal review or compliance process.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 008

Page 2 of 2

**ENDORSEMENT# 9**

This endorsement, effective at 12:01 am November 1, 2019 forms a part of  
Policy number 02-382-05-01  
Issued to: STAGE STORES, INC.

By: *Illinois National Insurance Company*  
Product Name: *Executive Edge*

**SECURITIES CLAIM DEFINITION - COMMON LAW  
("AIDING AND ABETTING"; SEPARATE RETENTION)**

In consideration of the premium charged, it is hereby understood and agreed that the policy's definition of "**Securities Claim**," is deleted in its entirety and replaced with the following:

"**Securities Claim**" means a **Claim**, other than an administrative or regulatory proceeding against, or investigation of an **Organization**, made against any **Insured**:

- (1) alleging a violation of any law, rule or regulation, whether statutory or common law (including but not limited to the purchase or sale or offer or solicitation of an offer to purchase or sell securities), which is:
  - (a) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any securities of an **Organization**; or
  - (b) brought by a security holder or purchaser or seller of securities of an **Organization** with respect to such security holder's, purchaser's or seller's interest in securities of such **Organization**; or
- (2) which is a **Derivative Suit**.

Notwithstanding the foregoing, the term "**Securities Claim**" shall:

- (1) include an administrative or regulatory proceeding against an **Organization** that meets the requirements of subparagraph (1) above, but only if and only during the time that such proceeding is also commenced and continuously maintained against an **Insured Person**; and
- (2) not include the portion of any **Claim** brought by any **Executive** or **Employee** of an **Organization** alleging, arising out of, based upon or attributable to the loss of, or failure to receive or obtain, the benefit of stock, stock warrants, stock options or other securities of an **Organization**.

"**Securities Claim**" also means a **Claim** brought by any security holder of an **Acquisition Target**, in their capacity as such, alleging that the **Insureds** aided and abetted any:

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**END 009**

**ENDORSEMENT# 9** (continued)

- (i) breach of fiduciary duty owed to the **Acquisition Target's** shareholders; or
  - (ii) violation of securities law by the **Acquisition Target** regarding the **Organization's** acquisition or proposed acquisition of the **Acquisition Target**;
- provided that coverage for such **Claim** shall be limited to **Defense Costs** only.

"**Acquisition Target**" means any entity that an **Organization** has acquired, or proposed to acquire, in a transaction that results in, or would result in, such entity becoming a **Subsidiary**.

It is further understood and agreed that solely with respect to the coverage afforded under this endorsement for aiding and abetting, a separate Retention shall apply in the amount of **\$1,500,000**

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 009**

Page 2 of 2

ENDORSEMENT# 10

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BROAD FORM MANAGEMENT LIABILITY INSURANCE POLICY**

**AMENDATORY ENDORSEMENT**

**TEXAS**

The policy is amended as follows:

Clause **12.F.1. ALTERNATIVE DISPUTE RESOLUTION** is amended by deleting the second paragraph of the section entitled ADR Process and replacing it with the following:

*ADR Rules:* In considering the construction or interpretation of the provisions of this policy, the mediator or arbitrator(s) must give due consideration to the general principles of the law of the **State of Formation** of the **Named Entity**. Each party shall share equally the expenses of the process elected. Either choice of ADR process shall be commenced in the state of Texas; provided, however, that the **Named Entity** and the **Insurer** can mutually agree that either choice of ADR process shall be commenced in any of the following locations: New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state reflected in the **Named Entity Address**. The **Named Entity** shall act on behalf of each and every **Insured** under this *Alternative Dispute Resolution Clause*. In all other respects, the **Insurer** and the **Named Entity** shall mutually agree to the procedural rules for the mediation or arbitration. In the absence of such an agreement, after reasonable diligence, the arbitrator(s) or mediator shall specify commercially reasonable rules.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 010**

**ENDORSEMENT# 11**

This endorsement, effective at 12:01AM November 01, 2019  
Policy number: 02-382-05-01  
Issued to: STAGE STORES, INC.

forms a part of

By: *Illinois National Insurance Company*

**APPENDIX A AMEND PANEL COUNSEL LIST**

**SECURITIES CLAIMS PANEL COUNSEL ENDORSEMENT**

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

1. The list of approved panel counsel law firms referenced in Clause 9.B. "Pre-Authorized Securities Defense Attorneys", is hereby amended for purposes of this policy to include the following law firm (the "**Listed Firm**") but only in its respective jurisdiction listed below and subject to all conditions listed below:

**LAW FIRM**

McAfee & Taft

**JURISDICTION:**

Oklahoma

2. This endorsement shall not apply to any **Claim(s)** brought in the form of a class action.
3. The maximum hourly billing rates ("**Maximum Rates**") for the **Listed Firm** are set forth as follows: \$330 (partners); \$285 (associates); and \$100 (paralegals). With respect to the defense of any **Securities Claims** by the above **Listed Firm**, notwithstanding the foregoing rates, it is agreed that to the extent that services are billed at rates that exceed the **Maximum Rates**, the excess over such **Maximum Rates** shall not be covered under this policy as **Defense Costs** or otherwise as **Loss**.
4. The rates set forth in Clause 3 above shall apply for the life of any **Claim** as long as such **Claim** is in any way covered under this policy. Such rates will be applied to: (i) all covered **Defense Costs** and (ii) **Defense Costs** applied against an applicable Retention. The **Named Entity** shall bear, at its own expense, that portion of any fees charged by the **Listed Firm** that exceeds the applicable rates set forth in this endorsement.
5. The **Listed Firm** must follow the **Insurer's** Litigation Guidelines, copies of which will be provided to (i) any **Insured** upon request and (ii) a **Listed Firm** once a **Claim** that such firm has been retained to handle is submitted to the **Insurer**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 011**

**ENDORSEMENT# 12**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**BIPD EXCLUSION AMENDED  
(NON-INDEMNIFIABLE LOSS CARVEOUT; EXCESS OF OTHER COMMERCIAL GENERAL  
LIABILTIY INSURANCE)**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

I.

Exclusion (4) is deleted in its entirety and replaced with the following:

(4) *Bodily Injury &  
Property Damage*

for bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, this exclusion shall not apply to **UK Corporate Manslaughter Act Defense Costs**, a **Securities Claim**, or **Non-Indemnifiable Loss**;

II.

The insurance provided by this policy for **Loss** in connection with any **Claim** made against an **Insured Person** that is for bodily injury, sickness, disease, or death of any person, or damage to or destruction of any tangible property, shall apply specifically as excess over any valid and collectible commercial general liability insurance.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 012**

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**ENDORSEMENT# 13**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**CLAIM DEFINITION AMENDED  
REQUESTS TO TOLL STATUTE OF LIMITATIONS**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

**I.**

Clause 13. DEFINITIONS, the definition of "**Claim**" is amended by adding the following subparagraph (6) as follows:

- (6) the receipt by an **Insured** of any written request to toll a period or statute of limitations which may be applicable to any **Claim** that may be made for any **Wrongful Act** of any **Insured**.

**II.**

Clause 7. NOTICE AND REPORTING, the last sentence of subparagraph (c), entitled "*Relation Back to Reported Circumstances Which May Give Rise to a Claim,*" is deleted in its entirety and replaced with the following:

In order to be effective, notification of circumstances must specify the facts, circumstances, nature of the **Wrongful Act** anticipated and reasons for anticipating such Claim, with full particulars as to dates, persons and entities involved.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 013**

**ENDORSEMENT# 14**

This endorsement, effective *at 12:01AM November 01, 2019*  
Policy number: *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

forms a part of

By: *Illinois National Insurance Company*

**CONDUCT EXCLUSIONS AMENDED**

**PERSONAL PROFIT, FINANCIAL ADVANTAGE**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.B.(1) *Conduct Exclusion* is deleted in its entirety and replaced with the following:

- (1) *Conduct* arising out of, based upon or attributable to any:
- (a) remuneration, personal profit or other financial advantage to which the **Insured** was not legally entitled; or
  - (b) deliberate criminal or deliberate fraudulent act by the **Insured**;
- if established by any final, non-appealable adjudication in any underlying proceeding;  
provided, however:
- (i) Conduct Exclusion (a), above, shall not apply in a **Securities Claim** alleging violations of Section 11, 12 or 15 of the Securities Act of 1933, as amended, to the portion of any **Loss** attributable to such violations; and
  - (ii) with respect to Conduct Exclusion (b), for acts or omissions which are treated as a criminal violation in a **Foreign Jurisdiction** that are not treated as a criminal violation in the United States of America, the imposition of a criminal fine or other criminal sanction in such **Foreign Jurisdiction** will not, by itself, be conclusive proof that a deliberate criminal or deliberate fraudulent act occurred;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 014**

ENDORSEMENT# 15

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**SEVERABILITY OF EXCLUSIONS AMENDED  
TOP 2 IMPUTE TO AN ORGANIZATION**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.A. *Full Severability of Exclusions For Insured Persons* is deleted in its entirety and replaced with the following:

*A. Full Severability Of Exclusions For Insured Persons*

In determining whether any of the following Exclusions apply, the **Wrongful Acts** of any **Insured Person** shall not be imputed to any other **Insured**. For Insuring Agreement C. *Organization Coverage*, only the **Wrongful Acts** of any chief executive officer or chief financial officer (or equivalent position) of an **Organization** shall be imputed to such **Organization**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 015**

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**ENDORSEMENT# 16**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**APPLICATION AMENDED - DELETE SUBPARAGRAPH (2)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting subparagraph (2) of the definition of **Application** in its entirety.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 016**

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**ENDORSEMENT# 17**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**APPLICATION AMENDED  
UNDERWRITING OF THIS POLICY  
WRITTEN REPRESENTATIONS AND PUBLIC FILINGS**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting subparagraph (1) of the definition of **Application** and replacing it with the following:

- (1) the written statements and written representations made by an **Insured** and provided to the **Insurer** during the underwriting of this policy, or contained in any application or other materials or information provided to the **Insurer** in connection with the underwriting of this policy; provided that public filings by or on behalf of an **Organization** made with the SEC shall only include those as set forth in subparagraph (3) below;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 017**

ENDORSEMENT# 18

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**APPLICATION AND UNDERWRITING AMENDED  
DELETE RENEWAL APPLICATION PROCEDURE**

In consideration of the premium charged, it is hereby understood and agreed that the policy  
is amended by deleting Clause 11.B. *Renewal Application Procedure* in its entirety.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 018**

Page 1 of 1

**ENDORSEMENT# 19**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**APPLICATION AND UNDERWRITING AMENDED  
KNOWLEDGE REVISIONS**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended by deleting Clause 11.D. *Severability Of The Application* in its entirety and replacing it with the following:

*D. Severability of the Application*

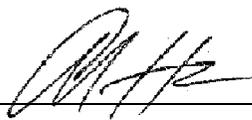
The **Application** shall be construed as a separate application for coverage by each **Insured Person**. With respect to the **Application** or otherwise in connection with the underwriting of this policy, no knowledge possessed by any **Organization** or any **Insured Person** shall be imputed to any other **Insured Person**.

If the statements, warranties and representations in the **Application** were not accurate and complete and materially affected either the acceptance of the risk or the hazard assumed by the **Insurer** under the policy, then the **Insurer** shall have the right to void coverage under this policy, *ab initio*, with respect to:

- (1) **Loss** under Insuring Agreement B. *Indemnification Of Insured Person Coverage* for the indemnification of any **Insured Person** who knew of facts, as of the inception date of the **Policy Period**, that were not accurately and completely disclosed; and
- (2) **Loss** under Insuring Agreement C. *Organization Coverage* if any **Insured Person** who is or was a chief executive officer or chief financial officer of the **Named Entity** knew of facts, as of the inception date of the **Policy Period**, that were not accurately and completely disclosed.

The foregoing applies even if the **Insured Person** did not know that such incomplete or inaccurate disclosure had been provided to the **Insurer** or included within the **Application**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
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**END 019**

**ENDORSEMENT# 20**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**APPLICATION AND UNDERWRITING AMENDED  
RELiance AND INCORPORATION**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended by deleting Clause 11.A. *Application And Reliance* in its entirety and replacing it with the following:

*A. Application And Reliance*

The **Insurer** has relied upon the statements, warranties and representations contained in the **Application**, and all such statements, warranties and representations are to be considered as incorporated into this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 020**

ENDORSEMENT# 21

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**AUDIT COMMITTEE COVERAGE**

In consideration of the premium charged, it is hereby understood and agreed that the definition of "**Executive**" in Clause 13. DEFINITIONS is hereby amended to include the following:

- (4) **Executive** as defined in (1)-(3) above or any **Employee** of the **Organization** serving as a member of any internal committee established by and for the **Organization**, including but not limited to the **Organization's** "audit committee," as that committee is described in the Securities and Exchange Commission Release No. 34- 42266- Audit Committee Disclosure Rule.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 021**

ENDORSEMENT# 22

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**BANKRUPTCY WAIVER ADDED**

In consideration of the premium charged, it is hereby understood and agreed that Clause 3.C. *Bankruptcy And Insolvency* is amended by adding the following to the end thereof:

It is further understood and agreed that the coverage provided under this policy is intended to protect and benefit the **Insured Persons**. Further, if a liquidation or reorganization proceeding is commenced by the **Named Entity** and/or any other **Organization** (whether voluntarily or involuntarily) under Title 11 of the United States Code (as amended), or any similar state, local or foreign law (collectively "**Bankruptcy Law**") then, in regard to a covered **Claim** under this policy, the **Insureds** hereby:

- (a) waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this policy under such **Bankruptcy Law**; and
- (b) agree not to oppose or object to any efforts by the **Insurer** or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of this policy as a result of the commencement of such liquidation or reorganization proceeding.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 022**

**ENDORSEMENT# 23**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**CLAIM DEFINITION AMENDED**

**(ANY OTHER ADR PROCEEDINGS)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. **DEFINITIONS**, the definition of "**Claim**," subparagraph (2) is deleted in its entirety and replaced with the following:

- (2) a civil, criminal, administrative, regulatory, or arbitration (or any other alternative resolution proceeding) for monetary, non-monetary or injunctive relief which is commenced by: (i) service of a complaint or similar pleading; (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or (iii) receipt or filing of a notice of charges;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 023**

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**ENDORSEMENT# 24**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**DISCOVERY AMENDED  
EXTENDED NOTICE PERIOD**

In consideration of the premium charged, it is hereby understood and agreed that Clause 8. DISCOVERY is amended by deleting the final paragraph thereof and replacing it with the following:

The **Discovery Period** is not cancelable and the additional premium charged is non-refundable in whole or in part. This *Discovery Clause* shall not apply to any cancellation resulting from non-payment of premium. The rights contained in this *Discovery Clause* shall terminate unless written notice by any **Insured** of election of a **Discovery Period**, together with the additional premium due, is received by the **Insurer** no later than *Sixty (60)* days subsequent to the effective date of the cancellation, nonrenewal or **Transaction**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 024**

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ENDORSEMENT# 25

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**DISCOVERY CLAUSE AMENDED  
DELETE "OR REPLACED"**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 8. DISCOVERY, the section entitled "*Bilateral Discovery Options*" is deleted in its entirety and replaced with the following:

*Bilateral Discovery  
Options*

Except as indicated below, if the **Named Entity** shall cancel or the **Named Entity** or the **Insurer** shall refuse to renew this policy, the **Insureds** shall have the right to a period of one to six years following the effective date of such cancellation or nonrenewal (the "**Discovery Period**"), upon payment of the respective "**Additional Premium Amount**" described below, in which to give to the **Insurer** written notice pursuant to Clause 7(a) and Clause 7(c) of the policy of: (i) **Claims** first made against an **Insured**; (ii) **Pre-Claim Inquiries** first received by an **Insured Person**; and (iii) circumstances of which an **Organization** or an **Insured** shall become aware, in any such case, during said **Discovery Period** and solely with respect to a **Wrongful Act** that occurs prior to the end of the **Policy Period**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 025**

**ENDORSEMENT# 26**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**ENTITY V. INSURED EXCLUSION AMENDED  
(PARAGRAPH B INAPPLICABLE TO FORMER EXECUTIVES THREE YEARS REMOVED,  
CARVEBACK C FOR BANKRUPTCY CONSTITUENCIES, DIP CLAIMS AGAINST FORMER  
INSUREDS, FOREIGN JURISDICTION, SOX 304 AND DODD FRANK 954 COSTS  
CARVEBACKS, WHISTLEBLOWER SUBPOENA)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.B(5) *Entity v. Insured Exclusion* is deleted in its entirety and replaced with the following:

- (5) *Entity v. Insured* that is brought by or on behalf of any **Organization** against any **Insured**, or by any **Outside Entity** against any **Outside Entity Executive**; provided, however, this exclusion shall not apply:
- (a) to any **Defense Costs** which constitute **Non-Indemnifiable Loss** incurred by any **Insured Person** in defending any **Claim** against that **Insured Person**;
  - (b) to any **Derivative Suit** not brought, controlled or materially assisted by any **Organization**, any **Outside Entity** or any **Executive** of the foregoing (other than an **Executive** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of or consultant for an **Organization** for at least three (3) years prior to such **Derivative Suit** being first made; or
  - (c) if the **Organization** or **Outside Entity** is the subject of a bankruptcy case (or the equivalent in a **Foreign Jurisdiction**), any **Claim** brought by the examiner, trustee, receiver, liquidator, rehabilitator, creditors committee, bondholder committee, equity committee or any other creditor or group of creditors on behalf of or in the right of such **Organization** or **Outside Entity** (or the resulting debtor-in-possession); or
  - (d) to any **Claim** brought or maintained in any **Foreign Jurisdiction** to the extent the **Organization** is required to bring and maintain the **Claim** in such **Foreign Jurisdiction**; or

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**END 026**

**ENDORSEMENT# 26**

(e) to any **SOX 304 Costs** or **Dodd-Frank 954 Costs** incurred by any **Executive** in connection with a **Claim** by or on behalf of any **Organization** seeking recovery of incentive-based compensation from such **Executive** due to an accounting restatement by such **Organization**.

This exclusion shall not apply to any **Claim** brought by the **Organization** as a debtor-in-possession against an **Insured Person** that is no longer acting in his or her capacity as an **Insured Person** at the time that such **Claim** is brought, provided that such **Claim** is (i) brought after such **Organization** has replaced its chief executive officer, chief financial officer, president and chairman of the board (or equivalent positions), and (ii) not brought, controlled or materially assisted by any individual set forth in (i) above.

With respect to this *Entity v. Insured Exclusion*, the term "materially assisted" shall not be triggered by: (i) any **Insured Person** engaging in protected "whistleblower" activity; or (ii) any **Organization** or **Executive** providing information required in order to comply with a subpoena or similar legal process served upon such **Organization** or **Executive**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 026**

**ENDORSEMENT# 27**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**EXTRADITION AMENDED  
SOUGHT TO BE SURRENDERED**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the definition of "**Extradition**" in its entirety and replacing it with the following:

**Extradition** means any formal process by which an **Insured Person** located in any country is sought to be surrendered to any other country for trial or otherwise to answer any criminal accusation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 027**

**ENDORSEMENT# 28**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**GLOBAL LIBERALIZATION AMENDED  
DEFINE WORLDWIDE EFFECT**

In consideration of the premium charged, it is hereby understood and agreed that Clause 2.C. *Worldwide & Cross-Border* is amended by deleting the second sentence of the *Global Liberalization Clause* in its entirety and replacing it with the following:

This *Global Liberalization Clause* shall not apply to any provision of any policy that has **Worldwide Effect**.

"**Worldwide Effect**" means the provision applies regardless of any conflicting provision in the other policy. The following clauses shall be deemed to have **Worldwide Effect**: any provision in this policy addressing the limits of liability (primary, excess or sublimits), retentions, other insurance, non-renewal, duty to defend, defense within or without limits, taxes, conformance to law or excess liability coverage, any claims made provisions, any endorsement to this policy that excludes or limits coverage for specific events or litigation or that specifically states that it will have **Worldwide Effect**, and any other clause that the **Insurer** reasonably determines to have **Worldwide Effect**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 028**

**ENDORSEMENT# 29**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**INSURED PERSON COVERAGE NON-RESCINDABLE AMENDED**

In consideration of the premium charged, it is hereby understood and agreed that Clause 11.C. *Insured Person Coverage Non-Rescindable* is deleted in its entirety and replaced with the following:

*C. Insured Person Coverage Non-Rescindable*

Under no circumstances shall the coverage provided by this policy for **Loss** under Insuring Agreement A. *Insured Person Coverage* be deemed void, whether by rescission or otherwise.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 029**

**ENDORSEMENT# 30**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**LIBERTY PROTECTION COSTS AMENDED  
DELETE NO CLAIM MADE OR PRE-CLAIM INQUIRY KNOWN REQUIREMENT**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting subparagraph (2) of the definition of **Liberty Protection Costs** and replacing it with the following:

- (2) reasonable and necessary premiums (but not collateral) consented to by the **Insurer** and incurred by an **Insured Person** for a bond or other financial instrument to guarantee the contingent obligation of the **Insured Person** for a specified amount required by a court that are incurred or required outside the United States of America during the **Policy Period**, if such premiums: (i) arise out of an actual or alleged **Wrongful Act**, or (ii) are incurred solely by reason of such **Insured Person's** status as an **Executive** or **Employee** of an **Organization**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 030**

**ENDORSEMENT# 31**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**LOSS AMENDED  
CLEANUP COSTS**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting subparagraph (5) of the first paragraph of the definition of **Loss** and replacing it with the following:

(5) cleanup costs relating to hazardous materials, pollution or product defects that result in the release of hazardous materials or pollutants;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 031**

**ENDORSEMENT# 32**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**LOSS AMENDED  
DELETE COURT ORDER WORDING**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the last sentence of the first paragraph of the definition of **Loss** and replacing it with the following:

Notwithstanding the foregoing subparagraph (7), the **Insurer** shall not assert that, in a **Securities Claim** alleging violations of Section 11, 12 or 15 of the Securities Act of 1933, as amended, the portion of any amounts incurred by **Insureds** which is attributable to such violations constitutes uninsurable loss and shall treat that portion of all such settlements, judgments and **Defense Costs** as constituting **Loss** under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 032**

ENDORSEMENT# 33

This endorsement, effective at 12:01 am November 1, 2019 forms a part of  
Policy number 02-382-05-01  
Issued to: STAGE STORES, INC.

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**NOMINAL DEFENDANT EXPRESS COVERAGE**

(For Executive Edge)

In consideration of the premium charged, it is hereby understood and agreed that:

1. Insuring Agreement C. *Organization Coverage*, is deleted in its entirety and replaced with the following:

*C. Organization Coverage*

This policy shall pay the **Loss** of any **Organization**:

- (1) arising from any **Securities Claim** made against such **Organization** for any **Wrongful Act** of such **Organization**;
  - (2) incurred as **Derivative Investigation Costs**, subject to a \$250,000 aggregate sublimit of liability; or
  - (3) incurred by an **Organization** or on its behalf by any **Executives** of the **Organization** (including through any special committee) as:
    - a. **Nominal Defendant Response Costs**; and
    - b. **Defense Costs** in seeking the dismissal of any **Derivative Suit** against any **Insured**.
2. "**Nominal Defendant Response Costs**" means legal and related fees, costs and expenses incurred through a **Panel Firm** with the **Insurer's** consent that are reasonably and necessarily incurred in representing an **Organization** as a nominal plaintiff and/or nominal defendant in any **Derivative Suit**. **Nominal Defendant Response Costs** shall not include **Derivative Investigation Costs**, and **Derivative Investigation Costs** shall not include **Nominal Defendant Response Costs**. "Loss" includes **Nominal Defendant Response Costs**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 033**

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**ENDORSEMENT# 34**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

**OTHER INSURANCE AND INDEMNIFICATION AMENDED  
DELETE ANTI-STACKING**

In consideration of the premium charged, it is hereby understood and agreed that Clause 12.A.2. *Other Insurance and Indemnification* is amended by deleting the third paragraph thereof and replacing it with the following:

In the event of a **Claim** made against an **Outside Entity Executive**, coverage as is afforded by this policy, whether under the *Insured Person Coverage* or the *Indemnification Of Insured Person Coverage*, shall be specifically excess of: (a) any indemnification provided by an **Outside Entity**; and (b) any insurance coverage afforded to an **Outside Entity** or its **Executives** applicable to such **Claim**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 034**

ENDORSEMENT# 35

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**PERSONAL REPUTATION EXPENSES AMENDED  
SAME EVENTS**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the second sentence in the definition of "**Personal Reputation Expenses**" in its entirety and replacing it with the following:

**"Personal Reputation Expenses"** shall not include any fees, costs or expenses of any **Crisis Firm** incurred by an **Executive** if such **Crisis Firm** is also retained by or on behalf of an **Organization** in connection with the same events underlying the **Personal Reputation Crisis**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 035**

**ENDORSEMENT# 36**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**POST POLICY REPORTING WINDOW AMENDATORY**

In consideration of the premium charged, it is hereby understood and agreed that Clause 7. NOTICE AND REPORTING is amended by deleting subparagraph (a) in its entirety and replacing it with the following:

An **Organization** or an **Insured** shall, as a condition precedent to the obligations of the **Insurer** under this policy:

- (1) notify the **Insurer** in writing of a **Claim** made against an **Insured** or a **Crisis**; or
- (2) if an **Insured** elects to seek coverage for **Pre-Claim Inquiry Costs** in connection with any **Pre-Claim Inquiry**, notify the **Insurer** in writing of that **Pre-Claim Inquiry**;

as soon as practicable after (i) the **Named Entity's** Risk Manager or General Counsel (or equivalent position) first becomes aware of the **Claim** or **Pre-Claim Inquiry**; or (ii) the **Crisis** commences. In all such events, notification must be provided no later than *One hundred eighty (180)* days after the end of the **Policy Period** or the **Discovery Period** (if applicable).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 036**

**ENDORSEMENT# 37**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**PRE-CLAIM INQUIRY AMENDED  
COST OF PRODUCING DOCUMENTS**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the definition of "**Pre-Claim Inquiry Costs**" in its entirety and replacing it with the following:

**Pre-Claim Inquiry Costs** means the reasonable and necessary pre-**Claim** fees, costs and expenses consented to by the **Insurer** and incurred by an **Insured Person** solely in connection with his/her preparation for and response to a **Pre-Claim Inquiry** directed to such **Insured Person**, including attendance at an interview or meeting requested by an **Enforcement Body** and the cost of such **Insured Person** in producing documents in his or her possession, but excluding any compensation of any **Insured Person**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 037**

**ENDORSEMENT# 38**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**PRIOR ACTS EXCLUSION**

In consideration of the premium charged, it is hereby understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** alleging any **Wrongful Act** occurring prior to *August 24, 2001* or after the end of the **Policy Period**. This policy only provides coverage for **Wrongful Acts** occurring on or after *August 24, 2001* and prior to the end of the **Policy Period** and otherwise covered by this policy. **Loss** arising out of the same or related **Wrongful Act** shall be deemed to arise from the first such same or related **Wrongful Act**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 038**

ENDORSEMENT# 39

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**PRIOR NOTICE EXCLUSION  
SAME OR RELATED WRONGFUL ACTS**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 7. NOTICE AND REPORTING, the last paragraph of subparagraph (b), entitled "*Relation Back to the First Reported Claim or Pre-Claim Inquiry*," is deleted in its entirety and replaced with following:

With respect to any subsequent **Related Pre-Claim Inquiry**, this policy shall not cover **Loss** incurred before such subsequent **Related Pre-Claim Inquiry** is actually received by an **Insured Person**, and with respect to any subsequent **Related Claim**, this policy shall not cover **Loss** incurred before such subsequent **Related Claim** is actually made against an **Insured**. **Claims** actually first made or deemed first made prior to the inception date of this policy, and **Pre-Claim Inquiries** first received or deemed first received by an **Insured Person** prior to the inception date of this policy, are not covered under this policy.

It is further understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** or **Pre-Claim Inquiry** alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Acts** alleged or contained, in any **Claim** or investigated in any **Pre-Claim Inquiry** that has been reported, or in any circumstances of which notice has been given, under any directors and officers liability insurance policy in force prior to the inception date of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 039**

**ENDORSEMENT# 40**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**RECOVERY OF LIMITS AMENDED  
DELETE LAST SENTENCE**

In consideration of the premium charged, it is hereby understood and agreed that Clause 12.A.4. *RECOVERY OF LIMITS* is deleted in its entirety and replaced with the following:

**4. *RECOVERY OF LIMITS***

In the event the **Insurer** recovers amounts it paid under this policy, the **Insurer** will reinstate the **Limits of Liability** of this policy to the extent of such recovery, less its costs incurred in administering and obtaining such recovery. The **Insurer** assumes no duty to seek a recovery of any amounts paid under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 040**

ENDORSEMENT# 41

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**RETENTION EROSION THROUGH SIDE-A INSURANCE FILL-IN**

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

1. The following paragraph is added to the end of Clause 5. RETENTION:  
If an **Organization** fails or refuses to advance, pay or indemnify covered **Indemnifiable Loss** of an **Insured Person** within an applicable Retention, then solely to the extent an insurer agrees to pay or pays such **Loss** pursuant to the terms and conditions of a Side A- Excess DIC Insurance Policy, the **Insurer** shall recognize that the **Side A- Excess DIC Insurance Policy** payments erode (contribute to and reduce) the applicable Retention amount.
2. As a precondition to such recognition of the erosion of the Retention amount, an **Insured** shall provide the **Insurer** with written proof, to the **Insurer's** satisfaction, of the payment of such **Loss** under the **Side A- Excess DIC Insurance Policy**.
3. Advancement, payment or indemnification of an **Insured Person** by an **Organization** is deemed "failed" if it has been requested by an **Insured Person** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by an **Organization** within 60 days of such request; and advancement, payment or indemnification by an **Organization** is deemed "refused" if an **Organization** gives a written notice of the refusal to the **Insured Person**. Advancement, payment or indemnification of an **Insured Person** by an **Organization** shall only be deemed "failed" or "refused" to the extent such advancement, payment or indemnification is not provided, or agreed to be provided, or acknowledged by and collectible from an **Organization**.
4. "**Side A- Excess DIC Insurance Policy**" means any insurance policy written specifically as excess over this policy that provides "Side A" (non- indemnifiable or non- indemnified loss) coverage with difference- in- conditions features.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 041**

**ENDORSEMENT# 42**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**SPOUSAL, DOMESTIC PARTNER AND LEGAL REPRESENTATIVE EXTENSION AMENDED  
TRUST OR ESTATE PLANNING VEHICLE**

In consideration of the premium charged, it is hereby understood and agreed that Clause 12.G. *Spousal, Domestic Partner And Legal Representative Extension* is deleted in its entirety and replaced with the following:

***G. Spousal, Domestic Partner And Legal Representative Extension***

If a **Claim** against an **Insured Person** includes a **Claim** against: (i) the lawful spouse or legally recognized domestic partner of such **Insured Person**; or (ii) a property interest of such spouse or domestic partner, and such **Claim** arises from any actual or alleged **Wrongful Act** of such **Insured Person**, this policy shall pay covered **Loss** arising from the **Claim** made against such spouse or domestic partner or the property of such spouse or domestic partner to the extent that such **Loss** does not arise from a **Claim** for any actual or alleged act, error or omission of such spouse or domestic partner. This policy shall pay covered **Loss** arising from a **Claim** made against the estates, heirs, or legal representatives of any deceased **Insured Person**, or any **Claim** against a trust or estate planning vehicle of an **Insured Person**, and the legal representatives of any **Insured Person** in the event of incompetence, insolvency or bankruptcy, who was an **Insured Person** at the time the **Wrongful Acts** upon which such **Claim** is based were alleged to have been committed.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 042**

**ENDORSEMENT# 43**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**STATE AMENDATORY INCONSISTENT**

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

1. In the event that there is an inconsistency between any: (a) state amendatory attached to this policy, or any other wording attached to this policy to comply with applicable law; and (b) any other term, condition or limitation of this policy; then, to the extent permitted by law, subject to the limitations below, the Insurer will resolve the inconsistency by applying the terms, conditions or limitations that are more favorable to the policyholder.
2. This endorsement shall not apply to the extent that: (a) any state amendatory or other wording expressly limits coverage in order to comply with applicable law, or (b) any such amendatory or other compliance wording amends language applicable to premium. In such events, the state amendatory or other compliance wording will govern over any other term, condition or limitation of the policy.
3. "Policyholder" means the first Named Entity, Named Organization, Named Corporation, Named Sponsor, Named Insured or other policyholder designated in Item 1 of the Declarations of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 043**

**ENDORSEMENT# 44**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**TRANSACTION AMENDED  
DELETE SUBPARAGRAPH (3)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the definition of **Transaction** and replacing it with the following:

**Transaction**

means:

- (1) the **Named Entity** consolidating with or merging into another entity such that the **Named Entity** is not the surviving entity, or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (2) any person or entity or group of persons or entities acting in concert acquiring **Management Control** of the **Named Entity**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 044**

ENDORSEMENT# 45

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*  
Product Name: *Executive Edge*

**SUBSIDIARY ADDITIONS AMENDED  
(VARIABLE THRESHOLD, AUTO-SUBSIDIARY PERIOD)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 10.B. *Subsidiary Additions* is amended by deleting subparagraphs (1) and (2) in their entirety and replacing them with the following:

- (1) less than *30* of the total consolidated assets of each and every **Organization** as reported in the **Named Entity's** most recent public filing; or
- (2) 30 or more of those total consolidated assets, but such entity shall be a "**Subsidiary**" only: (i) for a period of *Ninety (90)* days from the date the **Named Entity** first had **Management Control** of such entity; or (ii) until the end of the **Policy Period**, whichever expires or ends first (the "**Auto-Subsidiary Period**");

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 045**

ENDORSEMENT# 46

This endorsement, effective at 12:01 am November 1, 2019 forms a part of  
Policy number 02-382-05-01  
Issued to: STAGE STORES, INC.

By: Illinois National Insurance Company

Product Name: Executive Edge

**CLASS CERTIFICATION EVENT STUDY EXPENSES  
(REMOVES ADMISSIBLE TRIGGER)**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

**I.**

Clause 2. EXTENSIONS is amended by adding the following to the end thereof:

*D. Class Certification Event Study Expenses*

For any **Securities Claim**, no Retention shall apply to **Loss** incurred as **Class Certification Event Study Expenses**.

**II.**

The definition of **Loss** shall include **Class Certification Event Study Expenses**.

**III.**

Clause 13. DEFINITIONS is further amended by adding the following:

**Class Certification  
Event Study  
Expenses**

means the reasonable fees, costs and expenses of an expert witness consented to by the **Insurer**, which consent shall not be unreasonably withheld, incurred by an **Insured** to conduct an event study regarding class certification in a **Securities Claim**.

**IV.**

If any **Panel Counsel** firm, including any firm added as approved **Panel Counsel** by endorsement to this policy, defending a **Securities Claim** recommends to the **Insured** a specific expert witness to conduct an event study in the defense of such **Securities Claim**, then the **Insured** may hire such expert witness to perform such event study without further approval by the **Insurer**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 046**

**ENDORSEMENT# 47**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**DODD-FRANK 954 COSTS AND SOX 304 COSTS AMENDED  
(DELETE NECESSARY; CONSENT NOT UNREASONABLY WITHHELD;  
DELETE SOLELY; PAST, PRESENT, FUTURE CEO/CFO, NO WRONGFUL ACT REQUIRED  
OF AN INSURED PERSON)**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Clause 2.A Executive Protection Suite is amended by deleting subparagraph (1) and replacing it with the following:

**(1) SOX 304 Costs and Dodd-Frank 954 Costs;**

2. Clause 13. DEFINITIONS is amended as follows:

- A. The Definitions of "SOX 304 Costs" is deleted in its entirety and replaced with the following:

**SOX 304 Costs** means the reasonable fees, costs and expenses consented to by the **Insurer** (including the premium or origination fee for a loan or bond), such consent not to be unreasonably withheld, and incurred by any past, present or future chief executive officer or chief financial officer of the **Named Entity** to facilitate the return of amounts required to be repaid by such **Executive** pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002. **SOX 304 Costs** do not include the payment, return, reimbursement, disgorgement or restitution of any such amounts requested or required to be repaid by such **Executive** pursuant to Section 304(a). No **Wrongful Act** need be established by or alleged against the **Insured Person** in order to recover **SOX 304 Costs**.

- B. The following Definition is added:

**Dodd-Frank 954 Costs** means the reasonable fees, costs and expenses consented to by the **Insurer** (including the premium or origination fee for a loan or bond), such consent not to be unreasonably withheld, and incurred by an **Insured Person**

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**END 047**

Page 1 of 2

**ENDORSEMENT# 47** (continued)

to facilitate the return of amounts required to be repaid by such **Insured Person** pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. **Dodd-Frank 954 Costs** do not include the payment, return, reimbursement, disgorgement or restitution of any such amounts requested or required to be repaid by such **Insured Person** pursuant to Section 954. No **Wrongful Act** need be established by or alleged against the **Insured Person** in order to recover **Dodd-Frank 954 Costs**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 047**

Page 2 of 2

ENDORSEMENT# 48

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**ADVANCEMENT AMENDED  
NOT IN DEFAULT OF PAYMENT  
RETURN OF PAYMENTS**

In consideration of the premium charged, it is hereby understood and agreed that Clause 3.A. *Advancement* is deleted in its entirety and replaced with the following:

*A. Advancement*

If for any reason (including but not limited to insolvency) an **Organization** fails or refuses to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable Retention, if any, then the **Insurer** shall advance such amounts on behalf of the **Insured Person** until either (i) an **Organization** agrees to make, and is not in default of making, such payments, or (ii) the Retention has been satisfied. In no event shall any such advancement by the **Insurer** relieve any **Organization** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person**.

Advancement, payment or indemnification of an **Insured Person** by an **Organization** is deemed "failed" if it has been requested by an **Insured Person** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by an **Organization** within 60 days of such request; and advancement, payment or indemnification by an **Organization** is deemed "refused" if an **Organization** gives a written notice of the refusal to the **Insured Person**. Advancement, payment or indemnification of an **Insured Person** by an **Organization** shall only be deemed "failed" or "refused" to the extent such advancement, payment or indemnification is not provided, or agreed to be provided, or acknowledged by and collectible from an **Organization**. Any payment or advancement by the **Insurer** within an applicable Retention shall apply towards the exhaustion of the **Limits of Liability**, but the **Limit of Liability** shall be restored to the extent that any such payments are subsequently returned or repaid to the **Insurer**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 048**

**ENDORSEMENT# 49**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT  
WITH EXCEPTION FOR NON-INDEMNIFIABLE LOSS AND SECURITIES CLAIMS OTHER  
THAN CLEANUP COSTS**

In consideration of the premium charged, it is hereby understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- A. alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly, the **Hazardous Properties of Nuclear Material**, including but not limited to:
- (1) **Nuclear Material** located at any **Nuclear Facility** owned by, or operated by or on behalf of, the **Organization**, or discharged or dispersed therefrom;
  - (2) **Nuclear Material** contained in spent fuel or waste which was or is at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the **Organization**;
  - (3) the furnishing by an **Insured** or the **Organization** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**; or
  - (4) **Claims** for damage or other injury to the **Organization** or its shareholders which allege, arise from, are based upon, are attributed to or in any way involve, directly or indirectly, the **Hazardous Properties of Nuclear Material**; or
- B. (1) which is 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 insured under any such policy but for its termination or exhaustion of its limit of liability; or
- (2) with respect to which: (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the 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.

Notwithstanding the foregoing, this exclusion shall not apply to:

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**END 049**

**ENDORSEMENT# 49** (continued)

Notwithstanding the foregoing, this exclusion shall not apply to:

- (1) **Non-Indemnifiable Loss** other than **Non-Indemnifiable Loss** constituting **Cleanup Costs**;  
or
- (2) **Loss** arising from a **Securities Claim**, other than **Loss** constituting **Cleanup Costs**

As used herein:

"**Cleanup Costs**" means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **Pollutants, Hazardous Properties** and **Waste**.

"**Hazardous Properties**" include radioactive, toxic or explosive properties.

"**Nuclear facility**" means:

- (a) any nuclear reactor;
- (b) any equipment or device designed or used for:
  - (1) separating the isotopes of uranium or plutonium,
  - (2) processing or utilizing spent fuel, or
  - (3) handling, processing or packaging wastes;
- (c) 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 the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; and
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"**Nuclear Material**" means source material, special nuclear material or byproduct material.

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

"**Source Material**," "**Special Nuclear Material**," and "**Byproduct Material**" have the meanings given them in the Atomic Energy Act of 1954 or in any 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.

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**END 049**

**ENDORSEMENT# 49** (continued)

"**Waste**" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of nuclear facility under paragraph (a) or (b) thereof

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in black ink, appearing to be 'M. H.', is written above a horizontal line.

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**END 049**

**ENDORSEMENT# 50**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**DEFENSE COSTS AMENDED  
(DELETE "SOLELY" AND "NECESSARY"; ADD "SUCH CONSENT NOT TO BE UNREASONABLY  
WITHHELD")**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting the definition of "**Defense Costs**" in its entirety and replacing it with the following:

**Defense Costs**

means reasonable fees, costs and expenses consented to by the **Insurer**, such consent not to be unreasonably withheld, (including the cost of **E-Discovery Consultant Services** and premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) resulting from:

- (1) the investigation, adjustment, defense and/or appeal of a **Claim** against an **Insured**; or
- (2) an **Insured Person** lawfully: (i) opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of that **Insured Person**; or (ii) appealing any order or other grant of **Extradition** of that **Insured Person**.

**Defense Costs** shall not include: (i) **Derivative Investigation Costs**, (ii) **Pre-Claim Inquiry Costs**, or (iii) the compensation of any **Insured Person**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 050**

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**ENDORSEMENT# 51**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**COMPENSATION AND LABOR LIABILITY EXCLUSION AMENDED (NON-INDEMNIFIABLE LOSS  
CARVEBACK)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.B(7) *Compensation & Labor Liability Exclusion* is deleted in its entirety and replaced with the following:

*(7) Compensation &  
Labor Liability*

for any violation of responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification (WARN) Act, the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Occupational Safety and Health Act (OSHA), or any federal, state, local or foreign law, amendment to a law, or any rule or regulation, that imposes or expands responsibilities, obligations or duties relating to compensation, retirement, benefits, deductions, withholdings, breaks or the workplace; provided, however, this exclusion shall not apply: (i) to the extent that a **Claim** is for discrimination, sexual or other harassment, wrongful termination or hostile work environment, or for **Retaliation**; (ii) to the extent that a **Claim** is a **Securities Claim**; or (iii) to **Non-Indemnifiable Loss**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 051**

Page 1 of 1

ENDORSEMENT# 52

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*  
Product Name: *Executive Edge*

**LOSS DEFINITION AMENDED  
(APPLICABLE LAW DEFINITION)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by adding the following to the end of the second paragraph of the definition of **Loss**:

Applicable law shall include, but not be limited to, the law of the address or place of domicile of the **Insurer**, the place of domicile of any **Organization**, the address of the **Named Entity** or of any other **Organization** involved in the **Claim**, or the place of residence of any **Insured Person** involved in the **Claim**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 052**

**ENDORSEMENT# 53**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**DERIVATIVE INVESTIGATION COSTS AMENDED  
(SPECIAL LITIGATION COMMITTEE)**

In consideration of the premium charged, it is hereby understood and agreed that the definition of "**Derivative Investigation Costs**" is deleted in its entirety and replaced with the following:

**Derivative Investigation Costs** means reasonable and necessary costs, charges, fees and expenses consented to by the **Insurer** and incurred by the **Organization**, or on behalf of the **Organization** by its board of directors (or the equivalent management body) or any committee of the board of directors (or equivalent management body) (including, but not limited to, a Special Litigation Committee), in connection with a **Derivative Investigation**. **Derivative Investigation Costs** shall not include the compensation of any **Insured Person**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 053**

**ENDORSEMENT# 54**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**PERSONAL INJURY EXCLUSION AMENDED  
(MENTAL ANGUISH REMOVED)**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 4.B. *Exclusions*, paragraph (3) *Personal Injury* is deleted in its entirety and replaced with the following:

- (3) *Personal Injury* for emotional distress of any person, or for injury from libel, slander, defamation or disparagement, or a violation of a person's right of privacy; provided, however, this exclusion shall not apply to an **Employment Practices Claim** or a **Securities Claim**;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 054**

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ENDORSEMENT# 55

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**DERIVATIVE INVESTIGATION AMENDED  
(DELETE REFERENCE TO DERIVATIVE SUIT)**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 13. **DEFINITIONS**, the Definition "**Derivative Investigation**" is deleted in its entirety and replaced with the following:

**Derivative Investigation** means, after receipt by any **Insured** of a **Claim** that is a **Derivative Demand**, any investigation conducted by the **Organization**, or on behalf of the **Organization** by its board of directors (or the equivalent management body) or any committee of the board of directors (or equivalent management body), as to how the **Organization** should respond.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 055**

Page 1 of 1

**ENDORSEMENT# 56**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**PRE-CLAIM INQUIRY AMENDED  
CHANGE "AND" TO "OR"**

In consideration of the premium charged, it is hereby understood and agreed that Clause 13. DEFINITIONS is amended by deleting subparagraph (1)(ii)(B) of the definition of **Pre-Claim Inquiry** in its entirety and replacing it with the following:

(B) as part of its **Derivative Investigation**; or

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 056**

**ENDORSEMENT# 57**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*  
Product Name: *Executive Edge*

**ERISA EXCLUSION AMENDED  
(COMPANY SPONSORED PLANS ONLY)**

In consideration of the premium charged it is hereby understood and agreed that Clause 4.B *Exclusions* is amended by deleting Exclusion (6) in its entirety and replacing it with the following:

- (6) *ERISA* solely with respect to any plan of which an **Organization** is the plan sponsor, for any violation of responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar provisions of any state, local or foreign statutory or common law ("**ERISA**");

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 057**

Page 1 of 1

**ENDORSEMENT# 58**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**DERIVATIVE INVESTIGATION COSTS AMENDED  
(CONSENT NOT TO BE UNREASONABLY WITHHELD)**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 13. DEFINITIONS, the definition of "**Derivative Investigation Costs**" is deleted in its entirety and replaced with the following:

**Derivative Investigation Costs** means reasonable and necessary costs, charges, fees and expenses consented to by the **Insurer**, such consent not to be unreasonably withheld, and incurred by the **Organization**, or on behalf of the **Organization** by its board of directors (or the equivalent management body) or any committee of the board of directors (or equivalent management body), in connection with a **Derivative Investigation**. **Derivative Investigation Costs** shall not include the compensation of any **Insured Person**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 058**

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ENDORSEMENT# 59

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**SEVERABILITY OF THE APPLICATION AMENDED  
(ADVANCEMENT)**

In consideration of the premium charged, it is hereby understood and agreed that the following paragraph is added to Clause 11.D. *Severability of the Application* at the end thereof:

Solely with respect to this *Severability of the Application Clause*, the **Insurer** agrees to advance payments of **Loss** unless and until an order by a court of competent jurisdiction provides either that such advancement is not required or that coverage is void *ab initio*, subject to the condition that such advance payments by the **Insurer** shall be repaid to the **Insurer** by the **Organization** as soon as reasonably practicable after an order provides that such advancement is not required or that coverage is void *ab initio*. Clause 12.F.1. *ALTERNATIVE DISPUTE RESOLUTION* of this policy shall not apply to this paragraph.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 059**

**ENDORSEMENT# 60**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**SEVERABILITY OF EXCLUSIONS AMENDED  
GC IMPUTATION EXCEPTION FOR TIMELY REMEDIAL ACTION**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.A. *Full Severability of Exclusions For Insured Persons* is amended by adding the following to the end thereof:

Provided, however, that the **Wrongful Acts** of, any past, present or future General Counsel shall not be imputed to an **Organization** if the General Counsel took timely corrective and/or remedial action upon learning of the **Wrongful Acts** upon which said exclusions are predicated.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 060**

ENDORSEMENT# 61

This endorsement, effective at 12:01 am November 1, 2019 forms a part of  
Policy number 02-382-05-01  
Issued to STAGE STORES, INC.

By *Illinois National Insurance Company*

**PENDING AND PRIOR LITIGATION EXCLUSION AMENDED**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.B(2) *Pending & Prior Litigation Exclusion* is deleted in its entirety and replaced with the following:

- (1) *Pending & Prior Litigation* alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior **D&O Litigation** or **EPL Litigation** of which an **Insured** had notice, or alleging any **Related Wrongful Act(s)** to that alleged in such pending or prior **D&O Litigation** or **EPL Litigation**;

As used herein, the following definitions shall apply:

"**D&O Litigation**" means any (i) litigation; or (ii) administrative or regulatory proceeding or investigation, involving or alleging either (1) any director, officer or general partner liability or (2) any company liability for **Loss** of the same nature as would be covered in whole or part under this policy.

"**EPL Litigation**" means any (i) litigation; or (ii) administrative or regulatory proceeding or investigation, involving or alleging an **Employment Practices Violation**.

"**Related Wrongful Act(s)**" means **Wrongful Act(s)** which are the same, related or continuous, or **Wrongful Act(s)** which arise from a common nucleus of facts. **Claims** can allege **Related Wrongful Act(s)** regardless of whether such **Claims** involve the same or different claimants, **Insureds** or legal causes of action.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 061**

**ENDORSEMENT# 62**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**OUTSIDE ENTITY AMENDED  
EQUITY INTEREST IN PRIVATE COMPANIES  
OTHER THAN FINANCIAL INSTITUTIONS**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Clause 13. DEFINITIONS is amended by deleting the definition of **Outside Entity** in its entirety and replacing it with the following:

**Outside Entity** means any: (1) not-for-profit entity; (2) any entity, other than a **Financial Institution**, in which an **Organization** maintains an equity interest but does not have **Management Control**, and whose equity securities are not traded in a public market; or (3) other entity listed as an "**Outside Entity**" in an endorsement attached to this policy.

2. For purposes of this endorsement, the term "**Financial Institution**" means any entity that is a bank (including but not limited to commercial banks and savings and loan institutions) or any entity which is a diversified financial institution (including but not limited to insurance companies, brokerage firms and investment companies).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 062**

**ENDORSEMENT# 63**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to *STAGE STORES, INC.*

By *Illinois National Insurance Company*

**DISPUTES CLAUSE AMENDED  
(COOLING OFF PERIOD 60 DAYS)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 12.F *Disputes* is amended by deleting the section entitled *Mediation* in its entirety and replacing it with the following:

*Mediation* In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 60 days shall have elapsed from the date of the termination of the mediation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 063**

ENDORSEMENT# 64

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**ALLOCATION CLAUSE AMENDED  
COVERED AND UNCOVERED PARTIES AND MATTERS  
REASONABLENESS STANDARD**

In consideration of the premium charged, it is hereby understood and agreed that Clause 9.D. *Allocation* is amended by deleting the second paragraph thereof in its entirety and replacing it with the following:

In connection with any **Claim** either (i) made against both **Insureds** covered by this policy for such **Claim** and parties not covered by this policy for such **Claim**, or (ii) alleging matters that are both covered and uncovered under the terms and conditions of this policy, the **Insureds** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of the amounts to be covered as **Loss** by this policy, taking into account the relative legal and financial exposures, and the relative benefits obtained by such **Insureds** and such uncovered parties. In the event that a determination as to the amount of **Defense Costs** to be advanced under this policy cannot be agreed to, then the **Insurer** shall advance **Defense Costs** excess of any applicable Retention which the **Insurer** reasonably states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 064**

ENDORSEMENT# 65

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
policy number *02-382-05-01*  
issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**CRISISPLUS ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that the policy is hereby amended as follows:

**I. CRISISFUND® AMENDED**

(1) Solely for the purposes of a **Financial Statement Crisis**, the CrisisFund® Appendix is hereby amended as follows:

(i) Definition (a) **Crisis** shall also mean:

(3) a **Financial Statement Crisis**.

(ii) Definition (b) **Crisis Firm** is hereby amended by adding the following at the end thereof:

(b) Solely for **Financial Statement Crisis**, "**Crisis Firm(s)**" shall also include any **Panel Counsel** (as defined in Clause 9.B. of the policy) approved to handle **Securities Claims** and/or any public accounting firm.

(iii) Definition (d) **Crisis Services** is hereby deleted in its entirety and replaced by the following:

"**Crisis Services**" means any legal or accounting services performed by a **Crisis Firm(s)** in investigating and responding to a **Financial Statement Crisis**.

(iv) The following additional definitions are hereby added:

"**Financial Statement Crisis**" means the written public announcement by an **Organization** of the need or potential need for a restatement(s) of an **Organization's** previously publicly filed financial statements; provided however, that **Financial Statement Crisis** shall not include any announcements regarding restatement(s) resulting, in whole or in part, from a change in any rule, law or statute relating to financial reporting (including but not limited to any change in Generally Accepted Accounting Principles); further provided that payment of any **Crisis Loss** under this policy shall not waive any of the **Insurer's** rights under this policy or at law.

"**Financial Statement Crisis Loss**" means a **Crisis Loss** resulting solely from a **Financial Statement Crisis**.

**II. DEFINITION OF EXECUTIVE AMENDED**

In Clause 13. DEFINITIONS, the Definition of **Executive** is hereby amended to include the following:

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**END 065**

ENDORSEMENT# 65 (continued)

- (4) **Executive** as defined in (1)-(3) above or any **Employee** of an **Organization** serving as a past, present or future member of any internal committee established by and for an **Organization**, including but not limited to an **Organization's** "audit committee," as that committee is described in the Securities and Exchange Commission Release No. 34- 42266- Audit Committee Disclosure Rule.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 065**

**ENDORSEMENT# 66**

This endorsement, effective at *12:01 am November 1, 2019* forms a part of  
Policy number *02-382-05-01*  
Issued to: *STAGE STORES, INC.*

By: *Illinois National Insurance Company*

Product Name: *Executive Edge*

**FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES  
ENDORSEMENT**

This endorsement modifies insurance provided by this Policy:

**DISCLOSURE**

You should know that where coverage is provided by this Policy for losses resulting from "Certified Acts of Terrorism" (as defined by Section 102 (1) of United States Terrorism Risk Insurance Act), such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your Policy may contain other exclusions which might affect your coverage such as, an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning January 1, 2018; 81% beginning January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "Certified Acts of Terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion in a calendar year and if we have met our insurer deductible, we are not liable for the payment of any portion of the amount of such losses that exceeds \$100 billion; and for aggregate insured losses up to \$100 billion, we will only pay a pro rata share of such insured losses as determined by the Secretary of the Treasury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

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**END 066**

**ENDORSEMENT# 67**

This endorsement, effective *12:01 am November 1, 2019* forms a part of  
 policy number *02-382-05-01*  
 issued to *STAGE STORES, INC.*

by *Illinois National Insurance Company*

**FORMS INDEX ENDORSEMENT**

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
104122	04/10	D&O ADMITTED DEC
96555	01/15	TRIA DEC DISCLOSURE FORM
104123	04/10	D&O ADMITTED GUTS
104870	04/10	CRISISFUND APPENDIX
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
74802	07/11	TEXAS AMENDATORY ENDORSEMENT - CANCELLATION/NONRENEWAL
120650	11/15	BOOKS AND RECORDS COSTS
113415	01/13	CLAIMS PARTICIPATION AND COOPERATION CLAUSE AMENDED
120916	03/16	ERISA EXCLUSION AMENDED
116778	03/15	NOTICE AND REPORTING AMENDED PREJUDICE THRESHOLD
120450	09/15	PLAINTIFF ATTORNEYS FEES
122201	08/16	PRECLAIM INQUIRY AMENDED (BANKRUPTCY PROCEEDING ADD DEPOSITION AND TRUSTEE OR AGENT APPROVED BY COURT)
116987	05/15	SECURITIES CLAIM - COMMON LAW (AIDING AND ABETTING - SEPARATE RETENTION)
106099	07/10	TEXAS AMENDATORY ENDORSEMENT
MNSCPT		APPENDIX A AMEND PANEL COUNSEL LIST
114810	03/15	BIPD EXCLUSION AMENDED (NONINDEMNIFIABLE LOSS CARVEOUT EXCESS OF COMMERCIAL GENERAL LIABILITY INSURANCE)
115281	05/13	CLAIM DEFINITION AMENDED (REQUEST TO TOLL STATUTE OF LIMITATIONS)
MNSCPT		CONDUCT EXCLUSIONS AMENDED
114804	03/15	SEVERABILITY OF EXCLUSIONS AMENDED TOP 2 IMPUTE TO AN ORGANIZATION
114664	03/15	APPLICATION AMENDED DELETE SUBPARAGRAPH 2

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**FORMS INDEX ENDORSEMENT**

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FORM NUMBER	EDITION DATE	FORM TITLE
106827	09/10	APPLICATION AMENDED UNDERWRITING OF THIS POLICY WRITTEN REPRESENTATIONS AND PUBLIC FILINGS
107031	10/10	APPLICATION AND UNDERWRITING AMENDED DELETE RENEWAL APPLICATION PROCEDURE
107032	10/10	APPLICATION AND UNDERWRITING AMENDED KNOWLEDGE REVISIONS
107033	10/10	APPLICATION AND UNDERWRITING AMENDED RELIANCE AND INCORPORATION
104924	04/10	AUDIT COMMITTEE COVERAGE
106012	07/10	BANKRUPTCY WAIVER ADDED
114740	09/14	CLAIM DEFINITION AMENDED (ANY OTHER ADR PROCEEDINGS)
116179	03/15	DISCOVERY AMENDED EXTENDED NOTICE PERIOD
106006	07/10	DISCOVERY CLAUSE AMENDED DELETE OR REPLACED
115284	05/13	ENTITY V. INSURED EXCLUSION AMENDED (PARA B INAPPLICABLE TO FORMER EXECs 3 YRS REMOVED, CARVEBACK C FOR BANKRUPTCY CONSTITUENCIES, DIP CLAIMS AGAINST FORMER INSUREDs, FOREIGN JURISDICTION, SOX 304 & DODD FRANK 954 COSTS CARVEBACKS, WHISTLEBLOWER SUBPOENA)
106829	09/10	EXTRADITION AMENDED SOUGHT TO BE SURRENDERED
106830	09/10	GLOBAL LIBERALIZATION AMENDED DEFINE WORLDWIDE EFFECT
107319	11/10	INSURED PERSON COVERAGE NON RESCINDABLE AMENDED
106831	09/10	LIBERTY PROTECTION COSTS AMENDED DELETE NO CLAIM MADE OR PRE CLAIM INQUIRY KNOWN REQUIREMENT
106832	09/10	LOSS AMENDED CLEANUP COSTS
106816	09/10	LOSS AMENDED DELETE COURT ORDER WORDING
116567	03/15	NOMINAL DEFENDANT EXPRESS COVERAGE
108600	04/11	OTHER INSURANCE AND INDEMNIFICATION AMENDED DELETE ANTI STACKING
106817	09/10	PERSONAL REPUTATION EXPENSES AMENDED SAME EVENTS

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**FORMS INDEX ENDORSEMENT**

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
104138	04/10	POST POLICY REPORTING WINDOW AMENDATORY
106819	09/10	PRE-CLAIM INQUIRY AMENDED COST OF PRODUCING DOCUMENTS
104139	04/10	PRIOR ACTS EXCLUSION
106009	07/10	PRIOR NOTICE EXCLUSION SAME OR RELATED WRONGFUL ACTS
106818	09/10	RECOVERY OF LIMITS AMENDED DELETE LAST SENTENCE
104959	04/10	RETENTION EROSION THROUGH SIDE-A INSURANCE FILL-IN
107317	11/10	SPOUSAL DOMESTIC PARTNER AND LEGAL REPRESENTATIVE EXTENSION AMENDED TRUST OR ESTATE PLANNING VEHICLE
94039	05/07	STATE AMENDATORY INCONSISTENT
106010	07/10	TRANSACTION AMENDED DELETE SUBPARAGRAPH (3)
116397	03/15	SUBSIDIARY ADDITIONS AMENDED (VARIABLE THRESHOLD AUTOSUBSIDIARY PERIOD)
116295	03/15	CLASS CERTIFICATION EVENT STUDY EXPENSES (REMOVES ADMISSIBLE TRIGGER)
122236	02/17	DODDFRANK 954 COSTS AND SOX 304 COSTS AMENDED
108587	04/11	ADVANCEMENT AMENDED NOT IN DEFAULT OF PAYMENT RETURN OF PAYMENTS
115285	05/13	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT WITH EXCEPTION FOR NON INDEMNIFIABLE LOSS AND SECURITIES CLAIMS (OTHER THAN CLEANUP COSTS)
122235	08/16	DEFENSE COSTS DEFINITION AMENDED
114705	09/14	COMPENSATION AND LABOR LIABILITY EXCLUSION AMENDED NONINDEMNIFIABLE LOSS CARVEBACK
126142	09/17	LOSS DEFINITION AMENDED (APPLICABLE LAW DEFINITION)
113733	03/13	DERIVATIVE INVESTIGATION COSTS AMENDED (SPECIAL LITIGATION COMMITTEE)
116388	03/15	PERSONAL INJURY EXCLUSION AMENDED (MENTAL ANGUISH REMOVED)

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ENDORSEMENT# 67

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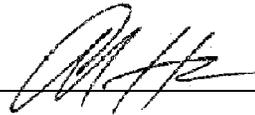
by *Illinois National Insurance Company*

## FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
114652	09/14	DERIVATIVE INVESTIGATION AMENDED DELETE REFERENCE TO DERIVATIVE SUIT
108604	04/11	PRE-CLAIM INQUIRY AMENDED CHANGE AND TO OR
116352	03/15	ERISA EXCLUSION AMENDED (COMPANY SPONSORED PLANS ONLY)
120248	08/15	DERIVATIVE INVESTIGATION COSTS AMENDED (CONSENT NOT UNREASONABLY WITHHELD)
105000	04/10	SEVERABILITY OF THE APPLICATION AMENDED (ADVANCEMENT)
106823	09/10	SEVERABILITY OF EXCLUSIONS AMENDED GC IMPUTATION EXCEPTION FOR TIMELY REMEDIAL ACTION
110133	11/11	PENDING AND PRIOR LITIGATION EXCLUSION AMENDED
108969	06/11	OUTSIDE ENTITY AMENDED EQUITY INTEREST IN PRIVATE COMPANIES OTHER THAN FINANCIAL INSTITUTIONS
110128	11/11	DISPUTES CLAUSE AMENDED (COOLING OFF PERIOD 60 DAYS)
108588	04/11	ALLOCATION CLAUSE AMENDED COVERED AND UNCOVERED PARTIES AND MATTERS REASONABLENESS STANDARD
104934	04/10	CRISISPLUS ENDORSEMENT
125595	03/17	FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT
53365	08/16	TEXAS NOTICE - LOSS CONTROL
94396	05/15	TEXAS COMPLAINT NOTICE FOR ADMITTED PAPER CO.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
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**END 067**

**AIG TEXAS NOTICE - NOTIFICATION OF THE AVAILABILITY OF  
LOSS CONTROL INFORMATION/SERVICES**

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AIG is committed to providing loss control information/services at no charge to its Texas commercial automobile liability, general liability and professional liability policyholders in an effort to prevent and reduce potential claims and losses.

If you would like more information on services available or would like to request services, contact Casualty Risk Consulting via phone (1-800-221-0651) or via e-mail at: [AIGStateServiceRequests@aig.com](mailto:AIGStateServiceRequests@aig.com)

**TEXAS NOTICE**

**IMPORTANT NOTICE**

To obtain information or make a complaint:

You may call the Company's toll-free telephone number for information or to make a complaint at:

1-877-541-9748

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 490-1007

Web: <http://www.tdi.texas.gov>

E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim, you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part of the attached document.

**AVISO IMPORTANTE**

Para obtener información o para presentar una queja:

Usted puede llamar al número de teléfono gratuito de la compañía para obtener información o para presentar una queja al:

1-877-541-9748

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:

1-800-252-3439

Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 490-1007

Sitio web: <http://www.tdi.texas.gov>

E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:**

Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

**ADJUNTE ESTE AVISO A SU PÓLIZA:**

Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.



### CLAIM REPORTING FORM

Issuing Company: *Illinois National Insurance Company*

Reported under Policy/Bond Number: 02-382-05-01 Date: \_\_\_\_\_

Type of Coverage: D&O \_\_\_\_\_ E&O \_\_\_\_\_ Fidelity \_\_\_\_\_ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

STAGE STORES, INC.  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Ext \_\_\_\_\_

eMail: \_\_\_\_\_ @ \_\_\_\_\_

Case or Claimant Name: \_\_\_\_\_  
\_\_\_\_\_

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

\_\_\_\_\_  
\_\_\_\_\_

Insurance Broker/Agent: ALLIANT INSURANCE SERVICES, INC.

Address: 320 W 57TH ST., 2ND FL

Address: NEW YORK, NY 10019-3302

Contact: BRIAN DUNPHY Phone: \_\_\_\_\_

eMail: brian.dunphy@alliant.com

Send Notice of Claims to:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: <a href="mailto:c-Claim@AIG.com">c- Claim@AIG.com</a>
	Shawnee Mission, KS 66225	



**CLAIM REPORTING FORM  
FIDELITY SUPPLEMENTAL**

**(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)**

Issuing Company: *Illinois National Insurance Company*

Reported under Policy/Bond Number: 02-382-05-01



Date of Discovery: \_\_\_\_\_ Estimated Amount of loss: \_\_\_\_\_

Cause of Loss:	Employee Dishonesty	_____	Computer Fraud	_____
	Funds Transfer	_____	Robbery/Burglary	_____
	ID Theft	_____	Forgery	_____
	Client Property	_____	In Transit	_____
	ERISA	_____	Credit Card Forgery	_____
	Other	_____	if Other, describe:	_____



Send Notice Of Claims To:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: <a href="mailto:c-Claim@AIG.com">c- Claim@AIG.com</a>
	Shawnee Mission, KS 66225	