



**Certificate of Property Facultative Reinsurance**  
**XL Reinsurance America Inc.**

An XL Group Company

**SEAVIEW HOUSE, 70 SEAVIEW AVENUE, STAMFORD, CT 06902-6040 USA**

These Declarations are subject to the Reinsuring Agreement and Conditions on the Certificate Jacket, which are made part of this agreement.

HANOVER INSURANCE COMPANY  
8300 NORMAN CENTER DRIVE  
SUITE 250  
BLOOMINGTON, MN 55437 USA  
ATTN: Dan Kunst

**ISSUING CARRIER:**  
HANOVER INSURANCE COMPANY

**CERTIFICATE #:** 8242275-1-2020-1  
**RENEWAL #:** N/A  
**COMPANY POLICY #:** IHX-H286390-00  
**COMPANY POLICY TERM:**  
June 10, 2020 to November 10, 2021  
**CERTIFICATE TERM:**  
June 10, 2020 to November 10, 2021

**INSURED(S):** PURIS Food Co

**COMPANY POLICY LIMITS:** USD 129,000,000 Per Occurrence

**COMPANY RETENTION:** USD 50,000,000 Primary Per Occurrence

**LAYER A**

**LOCATIONS INCLUDED:** 1864 311th AVenue, Dawson, MN 56232  
This Reinsurance is Specific to the Location(s) listed above.

**TYPE OF INSURANCE:** Business Interruption, Hard Costs, Soft Costs, Existing Structure

**PERILS REINSURED:** All Risk, Excluding Boiler & Machinery, Excluding Earthquake, Excluding Flood, Excluding Communicable Disease LMA 5394 (see attached), Excluding Electronic Data per Electronic Data Endorsement B NMA 2915 (see attached), Excluding Mold per NMA 2956 (see attached), Excluding Terrorism per NMA 2921 (see attached)

**REINSURANCE ACCEPTED:** USD 39,500,000 Part of USD 79,000,000 Excess of USD 50,000,000 Per Occurrence

This certificate is non-concurrent due to Coverage and/or Exclusions

**LAYER A** USD 16,817

**TOTAL PREMIUM DUE:** USD 16,817

**COMMISSION:** 0.0%

**BROKERAGE:** N/A

*Rebecca E Carr*

**Chicago Branch Office**  
**190 SOUTH LASALLE STREET**  
**SUITE 600**  
**CHICAGO, IL 60603**  
**312-876-7200**  
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**By: Underwriter: Rebecca Carr**  
**Title: Underwriter**

**Date: Jun 30, 2020**  
**Ext: 7736**  
**Rebecca.Carr@axaxl.com**

**DECLARATION**

## PROPERTY REINSURING AGREEMENTS AND CONDITIONS

In consideration of the payment of the premium and subject to the terms, conditions and amount of liability set forth herein, the Reinsurer does hereby reinsure the named Reinsured (hereinafter called the Company) in respect of the Company's policy(ies) as follows:

### 1. APPLICATION

The Company warrants to retain net and unreinsured, the amount specified in this Certificate which amount may be subject to treaty reinsurance, unless otherwise declared to the Reinsurer.

Except as specifically provided by the Insolvency Clause, the Reinsurer's obligation under this Certificate shall run only the Company, and the Reinsurer shall have no obligation to the original insured or any other third party.

The liability of the Reinsurer shall follow that of the Company, subject in all respects to all of the terms, limits and conditions of the policy(ies) reinsured, except as otherwise specifically provided herein or designated as nonconcurrent reinsurance.

### 2. COMPANY DUTIES

The Company shall, unless otherwise agreed by the Reinsurer, furnish the Reinsurer with a copy of its policy(ies) and all endorsements thereto which in any manner affect this reinsurance, and shall make available for inspection and place at the disposal of the Reinsurer at reasonable times all records of the Company, howsoever maintained, relating to this reinsurance or claims in connection therewith.

The Company shall notify the Reinsurer promptly of any change in the policy(ies) reinsured hereunder which affects this Certificate.

### 3. STANDARD WAR AND NUCLEAR EXCLUSIONS

The Reinsurer hereunder is subject to the standard Nuclear Incident Exclusion Clause(s) and standard War Exclusion Clause(s) for the coverage provided.

### 4. NOTICE OF LOSS

Prompt written notice shall be given to the Reinsurer by the Company of any occurrence or accident and all material developments relating thereto which, without regard to liability, appears likely to involve this reinsurance and, while the Reinsurer does not undertake to investigate or defend claims or suits, the Reinsurer, directly or through its representatives and/or counsel, shall nevertheless have the right and be given the opportunity, with the Company's full cooperation, to associate with the Company and its representatives, at the Reinsurer's expense, in the defense of any claim, suit or proceeding involving this reinsurance.

### 5. CLAIMS SETTLEMENT

All claims covered by this reinsurance, when settled by the Company, provided payment is within the terms, limits and conditions of the Company's policy(ies) as described in the Declarations and of this Certificate of Reinsurance, shall be binding on the Reinsurer who shall be bound to pay its proportion of such settlements. Prejudgment interest shall be deemed part of loss. In addition thereto, the Reinsurer shall be bound to pay (A) its proportion of allocated expenses, other than Company salaries and office expenses, incurred by the Company in the investigation and settlement of claims or suits under the terms of policies reinsured, and (B) its proportion of court costs, litigation expenses and interest on any judgment or award as follows: (1) With respect to reinsurance provided on an excess of loss basis, in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment; and (2) With respect to reinsurance provided on a pro-rata basis, in the ratio that the Reinsurer's limit of liability bears to the Company's gross limit of liability.

Payment of the Reinsurer's proportion of loss and expense incurred by the Company and covered by this Certificate will be made to the Company promptly upon receipt and approval by the Reinsurer of satisfactory proof of loss and expense.

The Reinsurer will be paid or credited by the Company with its proportion of salvages, which is reimbursement obtained or recovery made by the Company, less the actual cost (excluding Company salaries and office expenses) of obtaining such reimbursement or making such recovery. If the reinsurance afforded by this Certificate is on an excess of loss basis, salvage shall be applied in the inverse order in which liability attaches.

### 6. TAXES

The Company will be liable for all taxes on premiums ceded to the Reinsurer under this Certificate.

### 7. INSOLVENCY

In the event of insolvency of the Company, the reinsurance provided by this Certificate shall be payable directly and exclusively to the Company or its liquidator on the basis of the amount of the claim allowed in the insolvency proceeding without diminution by reason of the inability of the Company to pay all or part of the claim. The Reinsurer shall be given written notice of the pendency of each claim against the Company on the policy(ies) reinsured hereunder within a reasonable time after such claim is filed in the insolvency proceedings. The Reinsurer shall have the right to investigate each such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to the Company or its liquidator. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as a part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

### 8. CANCELLATION

This reinsurance may be cancelled at any time on a pro-rata basis by either the Company or the Reinsurer giving written notice to the other party by mailing such notice to the address appearing in this Certificate. The effective date of the cancellation shall be determined by the number of days allowed in the original policy plus 30 additional days not to exceed 120 days in all. Cancellation of the policy(ies) reinsured hereunder shall constitute an automatic cancellation of this reinsurance as of the same date and on the same premium basis as that of the policy(ies) reinsured. The Company shall be entitled to return premiums payable on the cancelled reinsurance less the amount of the ceding commission thereon, if any.

### 9. OFFSET

The Reinsurer and the Company may offset any and all balance(s), whether on account of premiums, losses or otherwise, due or to become due from one party to the other under this Certificate or any other agreement, treaty or facultative, heretofore or hereafter entered into between the Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. In the event of insolvency of either the Company or the Reinsurer, offset shall be permitted in accordance with the terms of this clause and as otherwise permitted by law. If the Company is comprised of more than one entity, all such entities will be considered the Company for purposes of offset.

### 10. AMENDMENTS

The terms of this Certificate shall not be waived or changed except by endorsement issued to form a part hereof, executed by a duly authorized representative of the Reinsurer.

### 11. PREMIUM PAYMENT

The reinsurance premium must be paid in full no later than 60 days after the inception date of this Certificate. If the premium is not paid within 60 days of the inception date, the Reinsurer may terminate this Certificate ab initio by sending notice to the Company at the address indicated on the Declarations. Proof of mailing shall be deemed proof of notice.

### 12. ARBITRATION

All unresolved differences of opinion between the Company and the Reinsurer relating to this Certificate, including its formation and validity, shall be submitted to binding arbitration in accordance with the Procedures for Resolution of U.S. Insurance and Reinsurance Disputes, dated September 1999 (the "Procedures"). Qualifications of arbitrators and umpires shall be in accordance with paragraph 6.2 of the Procedures. The parties hereto hereby designate the umpire list maintained by ARIAS (U.S.) and/or the Reinsurance Association of America's Arbitrators Directory as the list(s) to be used in the event that paragraph 6.7 of the Procedures is invoked.

## **COMMUNICABLE DISEASE EXCLUSION**

1. Notwithstanding any provision to the contrary within this Facultative Certificate, this Facultative Certificate excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 2.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 2.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 2.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

## **ELECTRONIC DATA ENDORSEMENT B**

### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire  
Explosion

### **2. Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

### **Fungi Coverage Limitation (property facultative)**

This Certificate excludes absolutely any loss, damage, cost or expense arising from Fungi unless directly or indirectly caused by or contributed to by or arising from one of the following listed perils:

Earthquake, Seaquake, Earthquake Shock, Seismic and/or Volcanic Disturbance/Eruption, Hurricane, Rainstorm, Storm, Tempest, Tornado, Cyclone, Typhoon, Tidal Wave, Tsunami, Flood, Hail, Winter Weather/Freeze, Ice Storm, Weight of Snow, Avalanche, Meteor/Asteroid Impact, Landslip, Landslide, Mudslide, Bush Fire, Forest Fire, Lightning, Explosion, Fire Conflagration, Aircraft and Vehicle Impact, Riots, Strikes Civil Commotion Sprinkler Leakage or Burst Pipes.

Such losses arising from Fungi will only be covered under this Certificate if they manifest themselves, and are reported to the Reinsurer, within 18 months of the start of the event identified as causing the loss, damage, cost or expense arising from Fungi.

For the purposes of this Certificate, Fungi means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by products or released by fungi.

NMA 2956

**TERRORISM EXCLUSION ENDORSEMENT (REINSURANCE)**  
**NMA 2921**

Notwithstanding any provision to the contrary within this reinsurance or any endorsement thereto it is agreed that this reinsurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Reinsurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the Reassured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.