

MUTUAL POLICY CONDITIONS

While this policy is in force, you are a member of PEMCO Mutual Insurance Company. PEMCO's annual meeting of members is held at its headquarters in Seattle, Washington, on the third day in January each year at 4 p.m. If January 3 falls on a Saturday or Sunday, the meeting will take place on the next business day. The purpose of the meeting is to transact general business, report on the Company's business affairs, and elect directors to its board. All meetings of members shall be exclusive to members.

Members participate in earnings of PEMCO in a manner and to an extent as determined by its board of directors.

This policy is nonassessable, meaning that, beyond payment of the premium for this insurance, you have no responsibility for the Company's debts or obligations.

This is not a complete and valid contract without an accompanying policy Declarations page.

ENDORSEMENTS ARE AN IMPORTANT PART OF YOUR POLICY. PLEASE KEEP THEM TOGETHER.