



AGREEMENT FOR INVESTMENT MANAGEMENT SERVICES

This Investment Manager Agreement ("Agreement" or "Contract") is entered into as of the "Effective Date" listed in Article I below, by and between **CITIZENS PROPERTY INSURANCE CORPORATION** ("Citizens"), a government entity created under Section 627.351(6), Florida Statutes; and the Investment Manager listed in Section 1 below ("Investment Manager" or "Vendor"), for the purpose of managing assets pursuant to the Investment Policy listed in Article 1 below. Citizens and Vendor shall each be known as a "Party," and collectively shall be known as the "Parties."

1. Identifying Information.

Name of Investment Manager	Conning, Inc.
Type of entity and state of formation	C Corporation, Missouri
Investment Policy	Investment policies, as approved by Citizens' Board of Governors on April 10, 2024, copies of which are attached to in Appendix B – Investment Policy ("Appendix B") hereto, and as thereafter amended.
Effective Date	April 1, 2025
Custody Agreement	The Bank of New York Mellon, serves as custodian (the "Custodian") of certain Citizens assets pursuant to the terms of a custody agreement ("Custody Agreement").
Term	This Agreement shall commence on the Effective Date and, unless terminated as provided for herein, shall continue for three (3) years.
Renewal	This Agreement may be renewed for three (3), one (1) year renewal periods either: (a) by Citizens, at its discretion upon twenty-one (21) calendar days prior written notice to Vendor; or, (b) by mutual written agreement of the Parties. Renewals shall be subject to the same terms and conditions set forth in this Agreement at the time of renewal, including any amendments signed by the Parties.

2. Procurement. On September 25, 2024, Citizens' Board of Governors approved Citizens

entering into this Agreement pursuant to ITN No. 24-0002.

3. **Incorporation of Documents.** The following documents are hereby incorporated into this Agreement:
 - 3.1. **Appendix A - Standard Terms and Conditions (“Appendix A”).**
 - 3.2. Appendix B.

4. **Hierarchy.** In case of a conflict of terms or provisions between this Agreement and any of the documents referenced in Section 3 above, the following shall serve as an order of precedence from most controlling document to the least controlling document:
 - 4.1. This Agreement.
 - 4.2. Appendix A.
 - 4.3. Appendix B.

If a conflict exists, the non-conflicting portion(s) of the term or provision of the less controlling documents shall remain enforceable.

5. **Additional Terms and Conditions.** The following terms and conditions hereby amend and take precedence over any contrary provisions in the documents referenced in Section 3:
 - 5.1. **Investment Manager Terms.**
 - 5.1.1. Citizens hereby appoints and authorizes the Investment Manager to act as Citizens’ agent in the management, investment, and reinvestment of all “Assets” from time to time held in an “Account” (as such terms are defined below). The Investment Manager hereby accepts such appointment on the terms and conditions set forth herein. Subject to the terms and limitations in this Agreement, Investment Manager has the authority to manage the acquisition, retention, and disposition of the Assets held by the Custodian.
 - 5.1.2. Citizens does not make any warranty of amount of Assets ultimately given to Investment Manager, or use of Investment Manager during the term of this Agreement.
 - 5.2. **Custody of Securities, Accounts and Assets.**
 - 5.2.1. Through the Custody Agreement, Citizens will establish one (1) or more separate investment accounts, (referred to individually as “Account” and collectively as “Accounts”) to which Citizens will transfer assets (“Assets”) for management by Investment Manager in accordance with the terms of this Agreement.
 - 5.2.2. Custody and control of all Assets shall remain with the Custodian. Accordingly, the Investment Manager will arrange to have all investments, proceeds, interest, premium, or any other investment income or cash flows arising from any transaction effected in accordance with the terms and provisions of this Agreement to be promptly remitted to the Custodian for the Custodian to credit to the appropriate Account. The Investment Manager shall have no liability with respect to custody arrangements or the

acts, conduct or omissions of the Custodian.

- 5.2.3. Citizens has the power at any time, in its sole discretion, to modify the Custody Agreement, substitute custody agreements, and appoint one or more additional or substitute custodians to hold the Assets pursuant to the terms of the Custody Agreement or any other custody agreements. For purposes of this Agreement, Custodian also refers to any successor custodian, and Custody Agreement refers to any modified or substitute contract. During the term of this Agreement, Citizens will give written notice to Investment Manager of any termination of its agreement with Custodian, or the appointment of any additional Custodian(s) and substitute or additional Custody Agreement.
- 5.2.4. Investment Manager agrees to cooperate with the Custodian or its successor in connection with all transactions contemplated by this Agreement covered by the Custody Agreement.
- 5.2.5. Citizens shall cause Custodian to take all necessary steps to settle purchases, sales and trades made by Investment Manager, including delivery of certificated securities, payments or funds and such other acts as may be necessary to fulfill Custodian's responsibilities. The Investment Manager shall give timely notice and directions to Custodian with respect to transactions in a manner that shall be agreed upon with Custodian and shall cooperate with Custodian to reconcile records of transactions in each Account. The Investment Manager shall instruct all broker/dealers and/or other financial intermediaries executing orders on behalf of an Account to forward to the Custodian copies of all transaction confirmations promptly after execution of the transaction. The Custodian shall be responsible for taking all necessary steps to settle purchases, sales and trades made by Investment Manager, including delivery of certificated securities, payments or funds and such other acts as may be necessary to fulfill Custodian's responsibilities. Investment Manager is not responsible for supervising or monitoring the Custodian, or for the actions or inactions of the Custodian, but shall promptly notify Citizens of any operational problem affecting an Account that cannot be reconciled in cooperation with the Custodian.

5.3. Discretionary Authority – Investment Brokerage.

- 5.3.1. Subject to the limitations contained in this Agreement, Investment Manager shall have full and complete discretion to direct and manage the investment and reinvestment of the Assets.
- 5.3.2. The Investment Manager shall not: engage in short sales or margin transactions; in the purchase or sale of futures contracts of any kind; or in hedging strategies of any kind.
- 5.3.3. In accordance with Citizens' objectives and within the permitted investments limitations as described in the Investment Policy, the Investment Manager is duly authorized and empowered, without prior consultation with Citizens, to:
 - a. make and implement all investment decisions;
 - b. buy, sell, exchange, convert and otherwise trade in any bonds and other instruments;

- c. select, subject to the terms of Section 7.6., below, properly licensed and authorized brokers, dealers and other intermediaries (which may be affiliates of Investment Manager) by or through whom securities transactions will be executed or carried out on behalf of the Accounts, and in connection therewith, open, establish and maintain accounts in the name of Citizens and the Custodian at, and to place orders for the execution of such securities transactions with or through, any such brokers (including prime and clearing brokers), dealers or issuers as Investment Manager may select;
- d. make and execute in accordance with the provisions of the Investment Policy any and all such documents and to take any action which Investment Manager deems necessary, appropriate or desirable to carry out its duties hereunder in connection with the management of the Account(s);
- e. with respect to securities that are underwritten by syndicates for which an affiliate of Investment Manager is lead underwriter or member, to purchase such securities on behalf of the Accounts from any other member of such syndicate; and
- f. if identified as a permitted investment in the Investment Policy, to invest Assets in the Accounts in mutual funds and other collective investments sponsored, managed or advised by Investment Manager. It is acknowledged by Citizens that the Investment Manager and its affiliates may earn fees from the activities of such investment vehicles in addition to the fees charged to Citizens for Investment Manager's services under this Agreement. The Investment Manager agrees that it will identify to Citizens the amount of any investment advisory fee collected in respect of Assets contributed to the mutual fund or other collective investment from an Account and will credit such fees against fees otherwise payable to the Investment Manager by the Account owning such Assets.

5.4. Investment Policy – Objectives and Restrictions.

5.4.1. Citizens' written statement of the investment objectives of the Accounts are set forth in the Investment Policy, as in effect as of the date of this Agreement, as modified or amended in the future ("Investment Policy"). Subject to Sections 5.4.3. and 5.4.4. below, and notwithstanding any other provision in this Agreement to the contrary, all actions taken by Investment Manager pursuant to this Agreement shall at all times follow and comply with the Investment Policy. The Investment Policy shall have the effect of limiting the authority of Investment Manager. To determine values or percentages for compliance with the Investment Policy: (a) if an asset exceeds a permitted limitation under the Investment Policy as a result of market action, and not due to an investment action of the Investment Manager, such holding shall not be deemed to be a violation of the Investment Policy, provided that further investment decisions do not create a further deviation from the Investment Policy, and (b) calculations of limitations by the Investment Manager made to determine the permissibility of future investment decisions shall be based upon the last computed valuation and asset holdings of the Account as reported by the

Custodian so long as the Investment Manager is provided with a means to determine such information promptly and received at the close of each prior business day. It is contemplated that the Custodian will value the assets of the Account daily as of the close of the New York Stock Exchange, and such calculations shall then govern investment actions until the next calculation of values and assets.

- 5.4.2. Investment Manager shall comply with the Investment Policy separately for each Account, and each Account shall be in compliance with the Investment Policy.
- 5.4.3. Citizens will promptly notify Investment Manager in writing of any modifications to the Investment Policy, including any investment restrictions applicable to the Account. Prior to the issuance of such modification, Citizens shall consult with the Investment Manager to discuss the time period within which the Investment Manager shall be required to conform the Assets in the Account to such modified Investment Policy. After such consultation, the modification shall become effective upon receipt by Investment Manager. Investment Manager shall notify Citizens in writing when it receives any such modification, and Investment Manager shall have a reasonable period of time to implement any such modifications. Additional investment actions by the Investment Manager following the receipt of a policy modification shall conform to the modified policy, and adjustments to existing investments shall be completed as agreed during the consultation, unless Citizens' written instructions otherwise direct or authorize a period within which the Account shall be brought into conformity.
- 5.4.4. Investment Manager shall notify Citizens within three (3) business days of discovery of any question, concern or issue that is not specifically addressed in the Investment Policy or that in the reasonable opinion of the Investment Manager involves ambiguous language in the Investment Policy. In this situation, Investment Manager shall not proceed without first obtaining written instructions from Citizens.
- 5.4.5. Citizens acknowledges that on the date that Citizens places any Assets in an Account, such Account may not be in full compliance with the Investment Policy, either due to the addition of such Assets or because of Citizens' recent adoption or modification of the Investment Policy, including any investment restriction ("Non-Complying Assets"). Citizens shall consult with the Investment Manager to discuss the time period within which the Investment Manager shall be required to conform the Assets in the Account to the Investment Policy. After such consultation, Investment Manager shall have a reasonable period of time to bring the Account into compliance with the Investment Policy. Additional investment actions by the Investment Manager following the receipt of the Assets shall conform to the Investment Policy, and adjustments to the Non-Complying Assets shall be completed as agreed during the consultation, unless Citizens' written instruction otherwise directs or authorizes a period within which the Account shall be brought into conformity with the Investment Policy.
- 5.4.6. Citizens represents that it has reviewed and approved the Investment Policy for compliance with applicable provisions of Florida laws, rules and regulations, and represents that it will review the Investment Policy

annually and will advise Investment Manager in writing of any modifications that may be required in order to maintain compliance with the Florida laws, rules and regulations. The Investment Manager will advise Citizens if it believes that a change in the Investment Policy or restrictions is required to comply with any law or regulation to which the Investment Manager is subject.

6. Compensation.

6.1. Investment Manager Fee. Citizens shall pay Investment Manager, as full compensation for services rendered hereunder, a quarterly fee payable in arrears that will be based upon the market value of the Account(s) (“Investment Manager’s Fee”) determined in accordance with the table below:

ASSETS	FEES
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

For purposes of the calculation of Investment Manager’s Fee, the market value of an Account for each quarter shall be determined using the average daily balance of the managed funds in the respective Account during each quarter ending on each of March 31, June 30, September 30, and December 31, and shall be based upon the number of days in the respective quarter. If Investment Manager shall serve for less than the whole of any quarterly period, its compensation determined in accordance with the fees identified above shall be calculated using the average daily balance and payable on a pro rata basis for the period of the quarter for which it served. For the purposes of this Agreement, it is contemplated that the Account shall be valued each business day as of the close of business of the New York Stock Exchange, and such valuation shall be made available promptly to the Investment Manager to manage the Account. Citizens shall have the Custodian or other agent responsible for valuing the Account promptly transmit or post for access by the Investment Manager the daily value of the Account for each day in the preceding quarter.

If another Investment Manager Agreement between Citizens and Investment Manager refers to this Agreement for purposes of aggregating portfolio values in determining the Investment Manager’s Fee, then the aggregate market value of all Assets in all Accounts under this Agreement and under such other Investment Manager Agreement shall be combined for purposes of determining the market value of the portfolio and the Investment Manager’s Fee.

In the event that the Custodian is unable or unwilling to provide a daily market value for all assets in the Account, then Investment Manager will calculate a daily market value for all assets of the Account in accordance with this Agreement. Citizens reserves the right to review the Investment Manager’s daily asset valuations, in order to determine their accuracy and reasonableness, and make any necessary adjustments.

For purposes of determining the market value of Citizens' Account, (a) the value assigned to an Asset by the Custodian will be treated as the value of the Asset under this Investment Management Agreement; provided that, (b) in the event that the Custodian is unable or unwilling to provide a value for an Asset in the Account, then securities traded on a national securities exchange shall be valued at the last sale price on the exchange, or if there has been no sale on the day as of which such net market value is being determined, at the last known bid price. Securities that are traded in more than one market will be valued according to the transactions on the broadest and most representative market. Securities that are traded over-the-counter will be valued according to the closing bid price on the most representative market. Other securities and all other Assets shall be valued as determined in good faith by Custodian or Citizens. Upon reasonable request of Citizens, Investment Manager may provide recommendations as to the value of particular Assets in accordance with its own Pricing Policies and Procedures but the final decision as the value of a particular Asset will reside with Citizens or the Custodian in accordance with Citizens' valuation policies and procedures. Investment Manager will not act as the pricing or valuation agent for the Account(s).

- 6.2. Invoices. Vendor must timely submit all requests for compensation for Services or expenses, where permitted, in sufficient detail for a pre- or post-audit. The compensation request must include a unique invoice number, be in US dollars, legible, page-numbered, signed, and dated. Vendor shall submit the original invoice to Citizens' Contract Manager or designee as identified in section 6.2. Contract Managers. All late payment inquiries must be submitted to the attention of Citizens' Accounts Payable department at AccountsPayable@citizensfla.com or Post Office Box 10749, Tallahassee, Florida 32302-2749 in accordance with the Compensation Schedule and must include, at a minimum, the following: (a) purchase order number/Agreement number/task order number, if applicable; (b) Vendor's name, address, phone number (and remittance address, if different); (c) Vendor's Federal Employment Identification Number; (d) Citizens' Contract Manager's name; (e) invoice date; (f) Services period; (g) taxes listed separately, if applicable; and, (h) itemized Services for which compensation is being sought.
- 6.3. Payment Processing. Citizens may require any other information from Vendor that Citizens deems necessary to verify any compensation request placed under this Agreement and Vendor agrees that it will provide such information as reasonably requested by Citizens. Payment shall be due net thirty (30) calendar days of Citizens' actual receipt of a complete and undisputed invoice. Where a submitted invoice is incomplete, such as not containing the information described in this Section, Citizens will return the incomplete invoice to Vendor for correction within thirty (30) calendar days of Citizens' actual receipt of such invoice. Where Citizens reasonably disputes any part of a complete invoice, such as the amount of the compensation request, Citizens shall pay any undisputed portion of the invoiced amount within thirty (30) calendar days of Citizens' actual receipt of the complete invoice and will describe the basis for the disputed portion of the invoiced amount. Where Vendor disagrees with Citizens dispute of any invoice, the Parties shall seek to resolve the dispute in accordance with the Dispute Resolution Process further described in this Agreement. In no case shall Citizens be subject to late payment interest charges where Vendor has submitted an incomplete invoice or where Citizens has reasonably disputed an invoice. Where Vendor fails to submit an invoice within twelve (12) calendar months of the Services for which

compensation is being requested, Vendor acknowledges and agrees that any payment due for such Services is forfeited by Vendor for its failure to timely submit an invoice.

- 6.4. Travel-related Expenses. Vendor agrees to comply with Citizens' then-current Vendor Travel Reimbursement Guidelines, a copy of which can be found on Citizens' website: <https://www.citizensfla.com/b2b>. All travel-related expenses must be pre-approved in writing by Citizens' Contract Manager or designee. Citizens shall reimburse Vendor for pre-approved travel-related expenses incurred in the performance of Services following Citizens' receipt of Vendor's reimbursement request submitted in accordance with the then-current Vendor Travel Reimbursement Guidelines or Citizens will not reimburse Vendor for travel-related expenses.
- 6.5. No Additional Charges. Except for the compensation described in the Compensation Schedule and travel-related expenses, if permitted, Citizens shall not be billed for or be obligated to pay to Vendor any charges, expenses, or other amounts for the Services or otherwise.
- 6.6. Taxes. Citizens is a State of Florida, legislatively created, governmental entity which does not pay federal excise or state sales taxes on direct purchases of tangible personal property. Vendor represents and warrants that it is an independent contractor for purposes of federal, state, and local employment taxes. Vendor agrees that Citizens is not responsible to collect or withhold any federal, state, or local employment taxes, including personal property tax, income tax withholding, and social security contributions, for Vendor or Vendor Staff. Any and all taxes, interest or penalties, including personal property tax or any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Vendor or, if assessed against and paid by Citizens, shall be immediately reimbursed by Vendor upon demand by Citizens.

7. Standard of Care, Liability and Other Duties.

- 7.1. Investment Manager acknowledges that, as an investment adviser, it is a fiduciary with respect to Citizens, and owes a fiduciary duty to Citizens with regard to the performance of its duties pursuant to this Agreement. Investment Manager agrees to discharge its duties hereunder in accordance with the standards of the Investment Advisers Act of 1940, as amended ("Advisers Act"). Subject to Section 5. of this Agreement, Investment Manager further agrees that it will comply with all laws, rules, and regulations of any governmental authority or agency having applicability to its duties under this Agreement, and that it will perform in accordance with the standards of care set forth in this section and this Agreement. Notwithstanding paragraph b. below and subject to Section 5 in its entirety, Investment Manager shall be liable to Citizens for any loss to the Account due to Investment Manager's violation or breach of any provision of the Investment Policies or restrictions communicated to Investment Manager in writing applicable to the Account. For the avoidance of doubt, a passive breach of an investment guideline is not a breach of contract of this Agreement.
- 7.2. In rendering services under this Agreement, Investment Manager will not be subject to any liability to Citizens or to any other party for any loss or error arising from a cause other than a violation of an Investment Policy or restriction communicated to Investment Manager in writing and subject to Section 5. herein,

unless such loss or error results from the willful misfeasance, bad faith, negligence, or breach of fiduciary duty on the Investment Manager's part in the performance of, or failure to perform, its obligations or duties under the Agreement ("Standard of Care").

- 7.3. Investment Manager hereby covenants and agrees that it shall promptly notify Citizens: (a) if Investment Manager fails to comply with or will for any reason be unable to comply with any term, condition or provision of this Agreement; (b) of any change in Investment Manager's partners, directors, managers, member-managers, or employees controlling the Investment Manager that would require the Investment Manager to amend Schedules A and/or B of Part I of its Form ADV by the prompt delivery of that amendment to Citizens; (c) of any other factor that would materially impact the ability of the Investment Manager to perform its duties to the Account, or that would be a material adverse change in Investment Manager's condition, financial or otherwise, or in its business that does materially impact the Investment Manager or the Assets; (d) if any of the partners, directors, managers, member-managers, or employees of Investment Manager is employed by, sits on the board of, or is, an issuer of securities in which Investment Manager has invested, or intends to invest, Assets; (e) following the occurrence of any happening or event which would cause any representation or warranty of Investment Manager, to be no longer true and correct in all respects (assuming solely for the purpose of this covenant of notification that all such representations and warranties are deemed to be reiterated and brought down during each successive day during this Agreement); provided that nothing in this provision shall detract from or modify any representation or warranty made by Investment Manager.
- 7.4. Citizens understands and acknowledges that Investment Manager does not warrant or guaranty any rate of return, market value or performance by any Assets or the Accounts.
- 7.5. Federal and state securities laws may impose liabilities under certain circumstances on investment advisers, managers, and fiduciaries who act in good faith, and nothing herein shall constitute a waiver or limitation of any right which Citizens may have under such federal or state securities laws.
- 7.6. Introductory Note to Section 7.6.: Citizens does not require Investment Manager to rely upon Section 28(e) of the Securities Exchange Act of 1934, or to cause the Account to pay a commission that is higher than that which might be charged by another unaffiliated broker for similar execution of a transaction. If Investment Manager elects not to use "soft dollars" with respect to the Account, then Investment Manager may check the following box to confirm its policy in that regard:
- 7.7. In the event that Investment Manager does elect to manage the Account in such a manner, the Investment Manager agrees to comply with and be bound by the requirements of the following:
- The Investment Manager acknowledges that Citizens has not directed it to place brokerage transactions with any broker-dealer, and that the Investment Manager is obligated to seek best price and execution of transactions for the Accounts. Citizens acknowledges that Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") authorizes an investment adviser to cause a client to pay a commission for execution of a securities transaction that is higher

than a fee that might otherwise be obtained if such investment adviser has determined in good faith that the amount of commission is reasonable in relation to the value of the brokerage or research services provided in respect of that fee as set forth in Section 28(e). Citizens authorizes the Investment Manager to cause an Account to pay a reasonable commission in accordance with Section 28(e) to a broker-dealer that is not affiliated with the Investment Manager, subject to the following conditions:

- 7.7.1. the Investment Manager shall furnish to Citizens in writing a statement of its best execution policies and practices regarding execution of transactions, and of the policies and procedures used by the Investment Manager to allocate, track, and evaluate the execution and research services received in respect thereof. Citizens shall be informed promptly of any change to such information;
- 7.7.2. not less than quarterly, the Investment Manager shall provide to Citizens for each Account a report of the nature and value of the brokerage and research services it has received in respect of transactions in which the Accounts have participated, including the cost to each Account of such transactions; and,
- 7.7.3. the Chief Compliance Officer or his or her designee with knowledge of Investment Manager's trading and research functions shall certify each quarterly report, confirming that the services obtained in respect of transactions required to be identified in the report were in compliance with the standards set forth in Securities Exchange Act Release No. 54165 issued by the U.S. Securities and Exchange Commission on July 18, 2006.
- 7.8. Investment Manager has furnished to Citizens a written schedule identifying each member of any investment team established by the Investment Manager to manage all or any portion of the Assets in each Account. The Investment Manager agrees to promptly notify Citizens in writing of any change in the composition of an investment team.
- 7.9. The Investment Manager has furnished to Citizens a copy of its Code of Ethics (including policies prohibiting Insider Trading, monitoring personal securities transactions of access persons, and other matters required to be addressed under applicable rules). The Investment Manager has advised Citizens in writing of the identity of its Chief Compliance Officer and agrees to promptly notify Citizens of any change in the identity of that officer.

8. Representations and Warranties. Investment Manager represents and warrants that it is as of the date of this Agreement, and at all times while this Agreement is in effect shall be:

- 8.1. An "Investment Manager" as such term is defined in the Employees Retirement Income Security Act of 1974, as amended ("ERISA"), with respect to the Assets, notwithstanding that the terms and provisions of ERISA are not applicable to this Agreement, including standards under Section 7;
 - 8.1.1. A registered investment adviser under the Advisers Act, or is an adviser registered under the securities law of the state in which its primary office is located, and has filed any notice filing it is required to submit under the securities laws and regulations of the State of Florida. The Investment Manager hereby certifies that it is in compliance with the provisions of the

Advisers Act or state securities law under which it is registered, as applicable, and covenants and agrees that it shall promptly notify Citizens in writing within five (5) business days of the revocation, restriction or suspension of any registration of the Investment Manager or a principal of the Investment Manager, or of Investment Manager's material failure to maintain its registration or comply with any applicable provision of the Advisers Act or any other applicable law to which it is subject;

8.1.2. Duly organized, validly existing, and in good standing as an entity identified in Article I above under the laws of the state identified in Article I above, and has the power and authority to carry on its business as now being conducted and has the power and authority to execute, deliver, and perform this Agreement; and,

8.1.3. Duly qualified and in good standing in such other states of the United States and in the District of Columbia, as well as in such foreign countries or political subdivisions thereof, to the extent necessary to perform this Agreement.

8.2. Investment Manager and Citizens each represents and warrants as to itself that:

8.2.1. It has taken all actions necessary to authorize the execution, delivery, and performance of this Agreement, and this Agreement is a valid and binding obligation of it enforceable against it in accordance with its terms except as may be limited by federal and state laws affecting the rights of creditors generally and except as may be limited by legal or equitable remedies;

8.2.2. It has made, obtained, and performed all registrations, filings, approvals, authorizations, consents, licenses, or examinations required by any government or governmental authority, domestic or foreign, or required by any other person or entity in order to execute, deliver, and perform this Agreement; and,

8.2.3. To the best of its knowledge, neither the execution, delivery, nor performance of this Agreement by it will violate any law, statute, order, rule, or regulation of, or judgment, order or decree by, any federal, state, local, or foreign court or governmental authority, domestic or foreign, to which it is subject nor will the same constitute a breach of, or default under, provisions of any agreement or contract to which it is a party or by which it is bound.

8.3. Investment Manager represents and warrants that:

8.3.1. If Investment Manager has answered "Yes" to any questions posed in Item 11 of Form ADV (Uniform Application for Investment Adviser Registration), Part I, Investment Manager affirms that it has provided to Citizens a copy of such Form ADV, Part I, or amended Form ADV, Part I, prior to the date of execution of this Agreement by Investment Manager, and if Investment Manager answers "Yes" to any questions posed in Item 11 of Form ADV, Part I, during the term of this Agreement Investment Manager covenants and agrees to provide Citizens with a copy of such Form ADV, Part I, or amended Form ADV, Part I, promptly after the Form ADV, Part I, or amended Form ADV, Part I, has been filed with the U.S. Securities and Exchange Commission or any state securities commission with which it is registered.

- 8.4. All of the representations and warranties set forth in this Agreement shall survive the termination of this Agreement.
9. **Disclosure Statement.** Citizens hereby acknowledges receipt of Investment Manager's Investment Adviser Disclosure Statement (Parts 2A and 2B of Form ADV), as required by SEC Rule 204-3 (17 CFR 275.204-3) under the Advisers Act, before or at the time of the execution of the Agreement.
10. **Service to Other Clients.** It is understood that Investment Manager and its affiliates perform investment managerial services for various clients. Citizens agrees that Investment Manager may give advice and take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Account. Investment Manager agrees that, to the extent practicable, (a) it will not favor or disfavor any client or class of clients in the allocation of investment opportunities, and (b) it will allocate investment opportunities among clients over a period of time on a fair and equitable basis. It is understood that Investment Manager shall not have any obligations to purchase or sell, or to recommend for purchase or sale, for the Account any security which Investment Manager, its principals, affiliates or employees may purchase or sell for its or their own accounts or for the account of any other client, if in the opinion of Investment Manager such transaction or investment appears unsuitable, impractical or undesirable for the Account, except as required by law.
11. **No Assignment.** This Agreement shall inure to the benefits of, and be binding upon, the successors and assigns of the parties hereto, but only as permitted under this Agreement. No assignment (as such term is construed under the Advisers Act) shall be made by Investment Manager to any other person or entity without prior written consent of Citizens. In the event any assignment is approved by Citizens, Investment Manager shall remain secondarily liable for performance of the Agreement, unless Citizens expressly waives such secondary liability. The Investment Manager may use the form attached as **Appendix C - Addendum Regarding Assignment ("Appendix C")** to seek Citizens' consent.
12. **Proxy Voting; Corporate Actions; Preparation and/or Filing of Other Claims.** Since the Custody Agreement provides for the voting of proxies by Custodian, Investment Manager will not be required to take any action, or render any advice, with respect to the voting of proxies, unless otherwise agreed in writing. The Investment Manager shall not be responsible for any other corporate actions relating to the Account, including administrative filings, such as proofs of claims or claims in class actions. Investment Manager shall not be required to take any action or render any advice with respect to the preparation or filing of any bankruptcy or class action claims, unless otherwise agreed to in writing by Citizens. Nevertheless, the Investment Manager shall promptly notify Citizens of any event covered in this Section of which Investment Manager has received actual notice.
13. **Insurance.** Vendor shall comply with the following insurance requirements for the term of the Agreement and any renewal options exercised by Citizens:
- 13.1. **Vendor Insurance Requirements.** During the term of the Agreement, Vendor will maintain at its sole expense the following insurance, purchased from an insurer licensed to transact business in the State of Florida:

- 13.1.1. Commercial General Liability with minimum limits of \$1 million per occurrence (to include contractual liability for liability assumed hereunder) and \$2 million in the aggregate.
- 13.1.2. Umbrella Excess General Liability insurance with minimum limits of \$4 million in the aggregate.
- 13.1.3. Business Interruption with coverage limits of not less than \$5 million.
- 13.1.4. Network Security Liability with data breach coverage limits of \$5 million per occurrence and \$5 million in the aggregate.
- 13.1.5. Investment Manager represents and warrants that it presently has in effect a fidelity bond against fraud and dishonesty containing terms with the bonding requirements of Section 412 ERISA, in an amount not less than \$1,000,000 and Investment Manager covenants that it shall keep such insurance coverage as required by said section (as the same may from time to time be supplemented or amended) in effect during the term of this Agreement, notwithstanding the fact that the terms and provisions of ERISA are not applicable to this Agreement. Upon request of Citizens, Investment Manager shall provide Citizens with a certificate of insurance evidencing that coverage is in place. In the event such fidelity bond has been cancelled without securing replacement coverage, the Investment Manager agrees to notify Citizens promptly following such cancellation.
- 13.1.6. Investment Manager presently has in effect, and will maintain during the term of this Agreement, fiduciary liability insurance in an amount not less than \$20,000,000 which provides coverage with respect to any loss resulting from a breach of its fiduciary duties. Upon request of Citizens, the Manager shall provide Citizens a certificate of insurance evidencing that coverage is in place. In the event such fiduciary liability insurance has been cancelled without securing replacement coverage, the Investment Manager agrees to notify Citizens promptly following such cancellation.
- 13.1.7. Professional Liability (errors and omissions) with minimum limits of \$10,000,000 per occurrence and \$15,000,000 in the aggregate.
- 13.1.8. Worker's Compensation which provides coverage for Vendor's employees or independent contractors' employees, regardless of the state of hire, in at least the minimum statutory limits required by the state of Florida and Employers' Liability with limits of \$1,000,000.
- 13.2. Insurance Company Qualifications. Each company issuing policies required under Sections 13.1. must: (a) be licensed to transact business in the State of Florida; and, (b) have an AM Best Financial Strength rating of "A-" or above.
- 13.3. Defense Costs. The limits of indemnity coverage required under Section 13.1. shall not include costs incurred in defending against a claim and shall not be reduced by the payment of such costs; Vendor may alternatively maintain coverage with minimum limits of \$2 million per claim and \$4 million in the aggregate.
- 13.4. Vendor's Insurance is Primary. The insurance required under Section 13.1. shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by Citizens, Citizens' Board Member, or any Citizens' employee.
- 13.5. Citizens to be an Additional Insured. The Commercial General Liability policy in

Section 13. shall include Citizens as an additional insured. For Commercial General Liability coverage, the policy must include ISO Form #CG 20 10 10 01 or a comparable company specific endorsement.

- 13.6. **Notice of Cancellation or Change.** To the extent practicable, if the Vendor received notice of any cancellation of the Commercial General Liability and Professional Liability policies, Vendor shall provide written notice to Citizens of this cancellation, non-renewal or change in any coverage.
- 13.7. **Proof of Coverage.** Within thirty (30) calendar days of execution of the Agreement, and upon renewal or reissuance of coverage thereafter, Vendor must provide current and properly completed in-force certificates of insurance to Citizens that evidence the coverages required in Sections 13.1. The certificates for Commercial General Liability and Umbrella Liability insurance certificates must correctly identify the type of work Vendor is providing to Citizens under the Agreement. The agent signing the certificate must hold an active Insurance General Lines Agent license (issued within the United States).
14. **Cooperation by Citizens.** Citizens shall execute any documentation that Investment Manager may from time to time transmit to Citizens for the purpose of confirming authorized securities transactions of the Account.
15. **Custodian Reports to Investment Manager.** Citizens hereby agrees to provide, or instruct the Custodian to provide, Investment Manager with copies of monthly Custodian statements concerning the status of the Accounts and any other information necessary to reconcile the Assets in the Account.
16. **Investment Manager's Reports to Citizens.** Investment Manager shall timely furnish to Citizens the following reports:
 - 16.1. Monthly reports that contain portfolio holdings, monthly, quarterly, year-to-date and rolling twelve (12) month return, as compared to the benchmark, on a net fee and gross of fee basis.
 - 16.2. Any other information reasonably requested by Citizens.
17. **Investment Adviser Registration Revoked or Restricted.** Notwithstanding any other provision of this Investment Management Agreement or the Standard Terms and Conditions incorporated herein, if the investment adviser registration of the Investment Manager is revoked or restricted by the U.S. Securities and Exchange Commission or by any state securities commission with jurisdiction over the Investment Manager, the Investment Manager shall immediately notify Citizens of such restriction or revocation, and Citizens may terminate this Agreement effective immediately without penalty or delay.
18. **Vendor's Confidential Information.** For the purposes of and subject to the Standard Terms and Conditions, Citizens acknowledges that the investment techniques and investment database of the Investment Manager are intended to be treated as Trade Secret. This acknowledgement does not mean that Trade Secret status necessarily applies under Florida law. Citizens will not make use of the investment decisions or recommendations of Investment Manager for its accounts (other than for the Accounts) or any other third party without the written consent of Investment Manager. In addition,

Citizens shall use its reasonable efforts to ensure that its agents who may gain access to such proprietary information shall be made aware of the proprietary nature and shall likewise treat such materials as confidential.

19. Contract Administration.

19.1. Contract Administrator. Citizens shall name a Contract Administrator during the term of this Agreement whose responsibility shall be to maintain this Agreement. Except for written notices not otherwise specifically required herein to be delivered to the Citizens' Contract Manager or designee, all written notices shall be delivered to the Contract Administrator in addition to the Citizens Contract Manager named below. As of the Effective Date, the Contract Administrator is:

Keri Dennis, Vendor Management and Purchasing
301 West Bay Street, Suite 1300
Jacksonville, Florida 32202
904-328-3712
keri.dennis@citizensfla.com

Citizens shall provide written notice to Vendor of any changes to the Contract Administrator; such changes shall not be deemed Agreement amendments.

19.2. Contract Managers. Each Party will designate a Contract Manager during the term of this Agreement whose responsibility shall be to oversee the Party's performance of its duties and operational obligations pursuant to the terms of this Agreement. As of the Effective Date, Citizens' and Vendor's Contract Managers are as follows:

Citizens' Contract Manager
Jonathan Norfleet
Citizens Property Insurance Corporation
301 W Bay Street, Suite 1300
Jacksonville, Florida 33323
904-520-4730
jonathan.norfleet@citizensfla.com

Vendor's Contract Manager
Sunny Wadhwa
Conning, Inc.
One Financial Plaza
Hartford, Connecticut 06103
860-299-2248
Sunny.Wadhwa@conning.com

Each Party shall provide prompt written notice to the other Party of any changes to their Contract Manager; such changes shall not be deemed Agreement amendments.

19.3. Continuing Oversight Team. If a Continuing Oversight Team ("COST") is established in accordance with s. 287.057(26), F.S., Vendor's Contract Manager will attend the initial meeting of the Continuing Oversight Team (in person or remotely) and will respond to any written questions from the Continuing Oversight Team within ten (10) business days.

20. Miscellaneous.

- 20.1. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same Agreement. The Parties agree that a faxed, DocuSign or scanned signature may substitute for and have the same legal effect as the original signature.
- 20.2. Public Records Addendum (“Addendum”). Vendor agrees that the Addendum attached hereto is hereby incorporated into this Agreement in order to address the public posting of this Agreement and its disclosure to third parties.
- 20.3. Entire Agreement. This Agreement, and any exhibits, schedules and attachments hereto, set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous proposals, agreements or understandings with respect to the subject matter hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by authorized representatives of the Parties.

CITIZENS PROPERTY INSURANCE CORPORATION

CONNING, INC.

DocuSigned by:

Jennifer Montero

E994D7F8EC85407...

Signature

Jennifer Montero

Print Name

CFO

Title

1/8/2025

Date Signed

Signed by:

Matthew Daly

9784F812DA684B9...

Signature

Matthew Daly

Print Name

Head of Conning North America

Title

18-Nov-2024 | 17:47 EST

Date Signed

DocuSigned by:

James Adams

631A89B679D3493...

Signature

James Adams

Print Name

Chief Insurance Officer

Title

1/8/2025

Date Signed

APPENDIX A - STANDARD TERMS & CONDITIONS

1. **Definitions.** As used in this Agreement, the following terms have the following meanings:
- 1.1. “Citizens Confidential Information” means any and all information and documentation of Citizens that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by Citizens; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by Citizens and marked “confidential” or with words of similar meaning; (c) should reasonably be recognized as confidential information of Citizens; (d) protected under any applicable state or federal law (including Chapter 119, Florida Statutes; Sections 501.171, and 627.351(6), Florida Statutes; Chapter 690-128, Florida Administrative Code; and, 15 U.S.C. § 6801 et seq.); or, (e) whether marked “Confidential” or not, consists of Citizens’ information and documentation related to any Citizens manuals, lists, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, or any business, governmental, and regulatory matters affecting Citizens. “Citizens Confidential Information” does not include any information or documentation that: (a) is publicly available through no fault of Vendor or Vendor Staff; or, (b) Vendor developed independently without relying in any way on Citizens Confidential Information.
 - 1.2. “Citizens Data” means any and all data of Citizens in an electronic format that: (a) has been provided to Vendor by Citizens; (b) is collected, used, processed, stored, or generated as a result of the Services; or, (c) is private information or personally identifiable information collected, used, processed, stored, or generated as a result of the Services, including, without limitation, any information that identifies an individual, such as an individual’s social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother’s maiden name, email address, credit card information, or an individual’s name in combination with any other of the elements listed herein.
 - 1.4. “Services” means all services and Deliverables to be provided by Vendor to Citizens under this Agreement. If any service or Deliverable is not specifically described in this Agreement but is necessary for the proper performance and provisioning of the Services, that service or Deliverable shall be included within the definition of the Services to the same extent and in the same manner as if specifically described herein.
 - 1.5. “Vendor Staff” means any of Vendor’s employees, agents, subcontractors, or representatives who: (a) provide the Services; or, (b) have access to Citizens Confidential Information or Citizens Data.
 - 1.6. “Work Product” means each Deliverable and any drawing, design, specification, rendering, notebook, tracing, photograph, reference book, equipment, material, negative, report, finding, recommendation, data and memorandum of every description, created for Citizens under this Agreement and shared with or delivered to Citizens by Vendor or Vendor Staff in the course of performing this Agreement.

2. **Services; Service Requirements.**

- 2.1. Description. Services and duties to be performed by Vendor based on solicitation requirements.
- 2.2. Key Vendor Staff Resources. Certain experienced, professional and/or technical personnel are essential for successful accomplishment of the work to be performed under this Agreement. These are defined as “Key Vendor Staff” and will be designated by Citizens’ Contract Manager. Any alternative or substituted Key Vendor Staff resources will require fifteen (15) calendar days prior notice to Citizens’ Contract Manager or designee.
- 2.3. Vendor Staff Qualifications and Removal. All Vendor Staff shall be properly trained and qualified. Upon request, Vendor shall furnish a copy of all technical certifications or other proof of qualification to Citizens. All Vendor Staff must comply with all reasonable administrative requirements of Citizens and with all controlling statutes, laws, and regulations relevant to the Services.

If Vendor knows or learns of circumstances indicating that a Vendor Staff member (a) lacks the proper training or qualifications to perform the Services; or, (b) is lacking in honesty or integrity, then Vendor will not allow that person to perform Services under this Agreement. Further, if Citizens determines that a Vendor Staff member is unsuitable for his/her role under this Agreement for any reason, including but not limited to knowledge, skills, experience, abilities, academic qualifications, credentialing, licensure, veracity, or conduct, Citizens has the right to disallow that person from performing in such role and to require Vendor to promptly provide a qualified replacement reasonably acceptable to Citizens.

3. Service Warranties and Standards.

- 3.1. Ability to Perform. As of the Effective Date, Vendor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Vendor’s ability to perform the Services or satisfy its contractual obligations. During the term of this Agreement, Vendor shall immediately notify Citizens Contract Administrator of any change in circumstances that would in any way diminish Vendor’s ability to perform the Services or satisfy its contractual obligations.
- 3.2. Monitoring of Performance. Vendor shall continuously monitor and record its performance to ensure that all of Vendor's responsibilities and obligations hereunder are being met and fulfilled. Citizens may conduct programmatic and other administrative contract monitoring during the term of this Agreement. The purpose of this monitoring is to ensure that all of Vendor's responsibilities and obligations are being met and fulfilled. Such monitoring may include on-site visits, report reviews, invoice reviews, compliance reviews, and a review of any other areas reasonably necessary. Vendor acknowledges and agrees that Citizens may also monitor and record Vendor Staff communications to the extent they occur within or are connected to any Citizens resource, such as electronic or telecommunications systems.

4. Changes.

- 4.1. Change Process. Citizens may require changes altering, adding to, or deducting

from the Services (each, a "Change"), provided that: (a) such Change is within the general scope of this Agreement; and, (b) Citizens will make an equitable adjustment in Vendor's compensation or delivery date if a Change materially affects the cost or time of performance of the Services. Such equitable adjustments require the written consent of Vendor, which consent shall not be unreasonably withheld, delayed or conditioned. The Parties will cooperate in good faith to determine the scope and nature of a Change, the availability of Vendor Staff, the expertise and resources to provide such Change, and the time period in which such Change will be implemented.

- 4.2. Modifications. A Change resulting in an increase or decrease to Vendor's compensation or the scope of Services must be evidenced by a formal amendment to this Agreement. All other changes shall be evidenced by either a writing signed by the Contract Manager or designee of each Party or a formal amendment to this Agreement.

5. Indemnification and Limitation of Liability.

- 5.1. Indemnification. Vendor shall be fully liable for the actions of Vendor Staff and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents, and employees (each, an "Indemnitee" and collectively, the "Indemnitees") from suits, actions, damages, liabilities, demands, claims, losses, expenses, fines, penalties, fees, and costs of every name and description (collectively, "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, or misconduct of Vendor, its officers, directors, agents, employees, or contractors, including without limitation: (a) a violation of federal, state, local, international, or other laws or regulations; (b) bodily injury (including death) or damage to tangible personal or real property; (c) a breach of any obligation or representation made by Vendor under this Agreement; (d) any claim that any portion of the Services violates or infringes upon a trademark, copyright, patent, trade secret or intellectual property right; or, (e) Vendor's failure to timely forward a public records request to Citizens for handling.

- 5.1.1. Vendor's obligations of indemnification with respect to any Claim are contingent upon Citizens (or other Indemnitee) providing Vendor: (a) written notice of the Claim; (b) the opportunity to settle or defend against the Claim at Vendor's sole expense; and, (c) assistance in defending against or settling the Claim at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by an Indemnitee in any legal action without Vendor's prior written consent, which shall not be unreasonably withheld.

- 5.1.2. Notwithstanding anything in this Agreement to the contrary, Vendor shall not indemnify for that portion of a Claim proximately caused by: (a) a negligent act or omission of an Indemnitee; or, (b) an Indemnitee's misuse or modification of the Service or Work Product.

- 5.1.3. The obligations in this Section are separate and apart from, and in no way limit Citizens' rights under any insurance provided by Vendor pursuant to this Agreement or otherwise.

- 5.1.4. The provisions of this Section shall survive the termination of this

Agreement.

5.2. Limitation of Liability.

- 5.2.1. NOTWITHSTANDING ANY OTHER PROVISION OF THE AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECULATIVE OR REMOTE DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH A BREACH OF THE AGREEMENT.
- 5.2.2. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER OF THE LIMIT ON CITIZENS' LIABILITY FOR TORT CLAIMS UNDER SECTION 768.28, FLORIDA STATUTES.
- 5.2.3. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

6. Suspension of Services; Termination; Transition Assistance.

- 6.1. Temporary Suspension of Services. Citizens may, in its sole discretion, temporarily suspend all or certain portions of the Services at any time by providing written notice to Vendor. Upon receiving a suspension notice, Vendor shall cease performing the Services in accordance with the suspension notice. Within ninety (90) calendar days after Citizens provides the suspension notice, or any longer period agreed to by Vendor, Citizens shall either: (a) issue a notice authorizing resumption of the Services, at which time the Services shall resume; or, (b) exercise its right under Section 10.2. to terminate this Agreement without cause. Nothing in this Section allows Citizens to withhold or delay any payment for Services satisfactorily performed prior to the suspension. However, Vendor shall not be entitled to any additional compensation for the suspension of Services.
- 6.2. Termination without Cause. By thirty (30) calendar days advance written notice, Citizens may terminate this Agreement in whole or in part, at its sole discretion and without the need to specify a reason for termination. The actual date of termination of this Agreement will be thirty (30) calendar days from the date of the written notice, or as otherwise specified in Citizens' written notice (the "Termination Date"). Where Citizens elects to terminate this Agreement in part, Vendor shall continue to provide Services on any portion of the Agreement not terminated. Vendor shall be entitled to payment for Services satisfactorily performed and accepted by Citizens through the Termination Date but shall not be entitled to charge for or recover any "wind-down" costs, cancellation charges, or damages, including lost profits or reliance damages. Vendor shall not have a reciprocal right to terminate without cause; it being understood that Citizens' payment for Services forms the consideration for Vendor not having this right. In the event of Citizens' termination without cause, Citizens, at Citizens' sole election, may also require Vendor to provide the Transition Assistance as further described in this Agreement.
- 6.3. Termination for Cause. Either Party may terminate this Agreement if the other Party fails to honor its material obligations under this Agreement. Unless otherwise provided herein, before terminating this Agreement, the Party that believes the other Party is failing to perform this Agreement shall notify the breaching Party, in writing, of the nature of the breach and provide a reasonable time certain to cure the breach. The cure period will generally be ten (10) calendar days from receipt of the notice, provided that a cure period is not required if a cure is not feasible as determined by the non-breaching Party or if the breaching Party has already been

notified of the breach and given at least ten (10) calendar days to correct it. If the breaching Party does not cure the breach within the time provided by the non-breaching Party, and its breach is not legally excusable, the non-breaching Party may thereafter notify the breaching Party, in writing, that it considers the breaching Party in default and may terminate this Agreement and pursue any remedies allowed in law or equity. Instead of terminating this Agreement in whole, Citizens may elect to terminate this Agreement in part, in which case Vendor shall continue to provide Services on any portion of the Agreement not terminated. If after termination it is determined that Vendor was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued without cause under Section 6.2.

- 6.4. Scrutinized Companies; Termination by Citizens. In addition to any other termination rights of Citizens as provided for in this Agreement, Citizens may, at its sole election, terminate this Agreement if Vendor: (a) is found to have submitted a false certification as provided under Section 287.135(5), F.S.; (b) has been placed on the "Scrutinized Companies with Activities in Sudan List;" (c) has been placed on the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List;" (d) has been placed on the "Scrutinized Companies that Boycott Israel List;" (e) has been engaged in business operations in Cuba or Syria; or, (f) is engaged in a boycott of Israel.

7. Disputes.

- 7.1. Dispute Resolution Process. Each Party will make a good faith effort to resolve any disputes relating to this Agreement prior to commencing a legal action. These efforts may include an offer to arrange for executive-level discussions or an offer to submit the dispute to non-binding mediation. This section shall not apply if (a) a Party considers the immediate commencement of a legal action for an injunction necessary to protect its interests (e.g., to protect against the improper use or disclosure of its confidential information); or, (b) the dispute is subject to another provision in this Agreement that includes a different dispute resolution process. For the sake of clarity, Citizens is not subject to the dispute resolution processes set forth in The Florida Administrative Procedure Act, Chapter 120, Florida Statutes.
- 7.2. Jurisdiction and Venue; Waiver of Jury Trial. This Agreement shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each Party hereby irrevocably consents and submits to the exclusive jurisdiction of the Circuit Court of Leon County, Florida, for all purposes under this Agreement, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The Parties also agree to waive any right to jury trial.
- 7.3. The provisions of this Section shall survive the termination of this Agreement.

8. Records; Audits; Public Records Laws.

- 8.1. Record Retention. Vendor shall retain all records relating to this Agreement for the longer of: (a) five (5) years after the termination of this Agreement; or, (b) the period specified by Citizens as necessary to comply with Florida law.
- 8.2. Right to Audit and Inquire. Citizens shall have reasonable access to Vendor's

facilities and has the right to review and audit any of Vendor's records relating solely to this Agreement, upon written notice to Vendor of at least three (3) business days. Vendor also agrees to reasonably cooperate with any independent inquiries made by Citizens' Office of Internal Audit and Office of the Inspector General. Vendor shall cooperate with the requestor and provide requested documentation in a timely manner (preferably within five (5) business days). Vendor must resolve any deficiencies discovered during an audit within ninety (90) calendar days from being reported. Citizens may extend the response time period in its sole discretion. Citizens has the right to conduct follow-up audits to assess Vendor's corrective action(s). Any entity performing auditing services on behalf of Citizens pursuant to this Section shall execute a non-disclosure agreement with regard to Vendor's proprietary information, unless precluded from doing so by law. Vendor shall not unreasonably delay or inhibit Citizens' right to audit or inquire as set forth in this Section. Vendor agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Vendor's compliance with this Agreement which result in termination for cause or in regulatory or criminal penalties in connection with performance of this Agreement. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; expert witness fees; and, documentary fees.

8.3. Public Records Laws. Vendor acknowledges that Citizens is subject to Florida public records laws, including Chapter 119, Florida Statutes, (collectively, "Florida's Public Records Laws"). Therefore, any information provided to Citizens or maintained by Vendor in connection with this Agreement may be subject to disclosure to third parties.

8.3.1. Protection of Vendor's Confidential Information. Section 627.351(6)(x)1.e., Florida Statutes, provides that proprietary information licensed to Citizens under a contract providing for the confidentiality of such information is confidential and exempt from the disclosure requirements of Florida's Public Records Law. Other Florida Statutes allow for various protection of vendor's trade secrets and financial information. In order to protect any information provided to Citizens that Vendor considers to be protected from disclosure under Florida law ("Vendor's Confidential Information"), Vendor should clearly label and mark each page or section containing such information as "Confidential", "Trade Secret" or other similar designation.

8.3.2. Responding to Request for Vendor's Confidential Information. If Citizens receives a Public Records Request ("PRR") or a request from any regulatory or legislative entity regarding Vendor's Confidential Information, it shall promptly notify Vendor in writing. To the extent permitted by law, Citizens shall not produce Vendor's Confidential Information unless authorized by Vendor, or by order of a court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Vendor's Confidential Information, the Parties agree that Citizens is authorized to deliver Vendor's Confidential Information to the court or other legal tribunal for disposition. If Vendor continues to assert in good faith that Vendor's Confidential Information is confidential or exempt from disclosure or production pursuant to Florida's Public Records Laws, then Vendor shall be solely responsible for defending its position or seeking a judicial declaration. Nothing in this Agreement shall create an obligation or duty for Citizens to defend or justify Vendor's position. Vendor also agrees to

reimburse Citizens for any attorneys' fees, costs, and expenses incurred by Citizens or awarded against Citizens in any legal proceeding in which the issue is a third party's challenge to Vendor's assertion of an exemption under Florida's Public Records Laws.

- 8.3.3. Vendor's Duty to Forward Records Requests to Citizens. If Vendor receives a PRR that is in any way related to this Agreement, Vendor agrees to immediately notify Citizens' Records Custodian and forward the PRR to Citizens' Records Custodian for logging and processing. Citizens' Records Custodian's email address is: Recordsrequest@citizensfla.com. Citizens shall be the Party responsible for coordinating the response and production to the PRR. Vendor shall communicate with Citizens to determine whether requested information is confidential and/or exempt from public records disclosure requirements. Vendor agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Florida's Public Records Laws.
- 8.3.4. Additional Duties. To the extent Vendor is "acting on behalf of" Citizens as provided under Section 119.011(2), Florida Statutes, Vendor must: (a) keep and maintain public records required by Citizens to perform the Services; (b) upon request of Citizens' Records Custodian, provide Citizens with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (c) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law, for the duration of the term of this Agreement and following the completion of this Agreement if Vendor does not transfer the records to Citizens; and, (d) upon completion of this Agreement, transfer at no cost to Citizens all public records in possession of Vendor or, alternatively, Vendor may keep and maintain all records required by Citizens to perform the Services. If Vendor transfers all public records to Citizens upon completion of this Agreement, Vendor shall destroy any duplicate public records that are exempt, or confidential and exempt from public records disclosure. If Vendor keeps and maintains public records upon completion of this Agreement, Vendor shall meet all applicable requirements for retaining public records. All public records stored electronically must be provided to Citizens, upon request by Citizens' Records Custodian, in a format that is compatible with the information technology systems of Citizens.

IF VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT CITIZENS' RECORDS CUSTODIAN AT (i) (850) 521-8302; (ii) RECORDSREQUEST@CITIZENSFLA.COM; OR, (iii) RECORDS CUSTODIAN, CITIZENS PROPERTY INSURANCE CORPORATION, 2101 MARYLAND

CIRCLE, TALLAHASSEE, FL 32303.

- 8.4. Remedies. Vendor will hold Citizens harmless from any actions resulting from Vendor's non-compliance with Florida's Public Records Laws. Without limiting Citizens' other rights of termination as further described in this Agreement, Citizens may unilaterally terminate this Agreement for refusal by Vendor to comply with this Section unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.
- 8.5. The provisions of this Section shall survive the termination of this Agreement.

9. Non-Disclosure of Citizens Confidential Information.

- 9.1. Obligation of Confidentiality. Vendor agrees to: (a) hold all Citizens Confidential Information in strict confidence; (b) not use Citizens Confidential Information for any purposes whatsoever other than the performance of this Agreement; (c) not copy, reproduce, sell, transfer, or otherwise dispose of, give, or disclose such Citizens Confidential Information to third parties other than Vendor Staff who have a need to know in connection with the performance of this Agreement; (d) be solely responsible for informing any Vendor Staff with access to Citizens Confidential Information of the provisions of this Agreement and to be responsible for any acts of those individuals that violate such provisions; (e) provide Vendor Staff having access to Citizens Confidential Information with work environments that protect against inadvertent disclosure to others; (f) use its best efforts to assist Citizens in identifying and preventing any potential or actual unauthorized appropriation, use, or disclosure of any Citizens Confidential Information and to cooperate in promptly remedying such situation; and, (g) advise Citizens immediately in the event that Vendor learns or has reason to believe that any individual who has or has had access to Citizens Confidential Information has violated or intends to violate the terms of this Agreement and to cooperate with Citizens in seeking injunctive or other equitable relief against any such individual. Nothing in this Agreement prohibits a Vendor from disclosing information relevant to the performance of the Agreement to members or staff of the Florida Senate or the Florida House of Representatives.
- 9.2. Security of Vendor Facilities. All Vendor and Vendor Staff facilities in which Citizens Confidential Information is located or housed shall be maintained in a reasonably secure manner. Within such facilities, all printed materials containing Citizens Confidential Information should be kept locked in a secure office, file cabinet, or desk (except when materials are being used).
- 9.3. Labeling of Citizens Confidential Information. Any documents or electronic files created by Vendor or Vendor Staff that contain Citizens Confidential Information must be conspicuously labeled or marked so that the individual viewing or receiving the information understands that the information is confidential.
- 9.4. Photocopying and Faxing Restrictions. Vendor and Vendor Staff shall not make photocopies or send facsimiles of Citizens Confidential Information unless there is a business need.
- 9.5. Transmission of Citizens Confidential Information Materials. In the event it is necessary to transport materials containing Citizens Confidential Information via mail, parcel delivery service or other means, Vendor Staff must subsequently verify that such materials have been received by the intended parties.

- 9.6. Return of Citizens Confidential Information. Upon Citizens' request during the term of this Agreement or upon the termination of this Agreement for any reason and subject to any regulatory record retention requirements applicable to Vendor, Vendor shall promptly return to Citizens all copies, whether in written, electronic or other form or media, of Citizens Confidential Information in its possession, or securely dispose of all such copies, and certify in writing to Citizens that Citizens Confidential Information has been returned to Citizens or disposed of securely.
- 9.7. Disposal of Citizens Confidential Information. The disposal of all printed materials containing Citizens Confidential Information must be done in a manner that renders the information inaccessible to others (the use of a reputable third-party shredding company is permissible).
- 9.8. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately notify Citizens Contract Administrator in writing of such inability and such inability on Vendor's part will serve as justification for the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part at any time after the inability becomes known to Citizens.
- 9.9. Remedies. Vendor acknowledges that breach of Vendor's obligations under this Section 9 may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section 9, in addition to any other legal remedies which may be available, including, the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part.
- 9.10. The provisions of this Section shall survive the termination of this Agreement.

10. Data Security.

- 10.1. Citizens Data.
 - 10.1.1. Ownership. Vendor acknowledges and agrees that Citizens Data is and shall remain the sole and exclusive property of Citizens and that all right, title, and interest in the same is reserved by Citizens.
 - 10.1.2. Vendor Use of Citizens Data. Vendor is permitted to collect, process, store, generate, and display Citizens Data only to the extent necessary for the sole and exclusive purpose of providing the Services. Vendor acknowledges and agrees that it shall: (a) keep and maintain Citizens Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Section 10 and applicable law to avoid unauthorized access, use, disclosure, or loss; and, (b) not use, sell, rent, transfer, distribute, or otherwise disclose or make available Citizens Data for Vendor's own purposes or for the benefit of anyone other than Citizens without Citizens' prior written consent.
 - 10.1.3. Extraction of Citizens Data. During the term of this Agreement, Vendor shall, within five (5) business days of Citizens' request, provide Citizens, without any charge, conditions, or contingencies whatsoever (including but not limited to the payment of any fees due to Vendor), an extract of Citizens

Data in the format mutually agreed upon by the Parties.

10.1.4. Backup and Recovery of Citizens Data. As part of the Services, Vendor is responsible for maintaining a backup of Citizens Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Any backups of Citizens Data shall not be considered in calculating any storage used by Citizens.

10.2. Security and Confidentiality of Citizens Data.

10.2.1. General Requirements. Vendor shall implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens Data; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens Data; (c) protect against unauthorized access to or disclosure of Citizens Data; (d) protect against the use of Citizens Data that could cause harm or inconvenience to Citizens or any customer of Citizens; (e) ensure the availability of Citizens Data; and, (f) ensure the proper disposal of Citizens Data.

10.2.2. Implementation of NIST 800-53 Controls. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor agrees to implement the privacy and security controls that follow the guidelines set forth in NIST Special Publication 800-53, "Security and Privacy Controls for Federal Information Systems and Organizations," as amended from time to time.

10.2.3. Audit of Vendor's Privacy and Security Controls.

a. Right of Audit by Citizens. Without limiting any other rights of Citizens herein, Citizens shall have the right to review Vendor's privacy and security controls prior to the commencement of Services and from time to time during the term of this Agreement. Citizens requires SOC 2 type 2 report or for Vendor to complete, within thirty (30) calendar days of receipt, an audit questionnaire provided by Citizens regarding Vendor's privacy and security programs.

b. Audit Findings. Vendor shall implement any reasonably required safeguards as identified by Citizens or by any audit of Vendor's privacy and security controls.

10.2.4. Data Encryption. Vendor and Vendor Staff will encrypt Citizens Data at rest and in transit using a strong cryptographic protocol that is consistent with industry standards.

10.2.5. Data Storage. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff shall not store Citizens Data on portable external storage devices or media (such as "thumb drives," compact disks, or portable disk drives).

10.2.6. Data Export. Except as part of the processes and systems used to provide the Services or as otherwise permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff are prohibited from: (a) performing any Services outside of the United States; or, (b) sending, transmitting, or accessing any Citizens Data outside of the United States.

10.2.7. Unauthorized Use or Disclosure of Citizens Data. Vendor shall use its best efforts to assist Citizens in identifying and preventing any potential or

actual unauthorized appropriation, use, or disclosure of any Citizens Data and shall cooperate in promptly remedying such situation. Without limiting the foregoing, Vendor shall: (a) advise Citizens immediately in the event that Vendor learns or has reason to believe that any individual who has or has had access to Citizens Data has violated or intends to violate the terms of this Agreement and Vendor will cooperate with Citizens in seeking injunctive or other equitable relief against any such individual; and, (b) pursuant to Section 501.171, Florida Statutes, where Vendor maintains computerized Citizens Data that includes personal information, as defined in such statute, disclose to Citizens any breach of the security of the system associated with the Citizens Data as soon as practicable, but no later than ten (10) calendar days following the determination of the breach of security or reason to believe the breach occurred.

- 10.3. Subcontractors. The provisions of this Section shall apply to each of Vendor's subcontractors at any level who obtain access to Citizens Data.
- 10.4. Return of Citizens Data Upon Termination. Upon the termination of this Agreement for any reason, Vendor shall provide to Citizens, without any charge, conditions, or contingencies whatsoever (including but not limited to the payment of any fees due to Vendor), a full and complete extract of Citizens Data in the format specified by Citizens. With the exception of an applicable law or as required by Global Investment Performance Standards (GIPS), Vendor shall certify to Citizens the destruction of any Citizens Data within the possession or control of Vendor; provided, however, that such destruction shall occur only after: (a) Citizens Data has been returned to Citizens; and, (b) Citizens has acknowledged in writing to Vendor that Citizens has fully and adequately received the Citizens Data.
- 10.5. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section 10, it will immediately notify Citizens Contract Administrator in writing of such inability and such inability on Vendor's part will serve as justification for the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part at any time after the inability becomes known to Citizens.
- 10.6. Remedies. Vendor acknowledges that breach of Vendor's obligation under this Section 10 may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of any of the provisions of this Section 10, in addition to any other legal remedies which may be available, including, the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part.
- 10.7. The provisions of this Section shall survive the termination of this Agreement.

11. Miscellaneous.

- 11.1. Business Continuity and Disaster Recovery Plan. Vendor shall have a viable, documented, effective and annually tested business continuity/disaster recovery strategy plan in place to mitigate the potential disruption of Services. Within thirty (30) calendar days of execution of the Agreement, at its own cost and expense, Vendor shall provide to Citizens a summary of the results of its tested business

continuity/disaster recovery plan and annually thereafter by April 15th during the term of this Agreement.

- 11.2. Relationship of the Parties. Vendor is an independent contractor with no authority to contract for Citizens or in any way to bind or to commit Citizens to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Citizens. Under no circumstances shall Vendor or Vendor Staff hold itself out as or be considered an agent, employee, joint venturer, or partner of Citizens. In recognition of Vendor's status as an independent contractor, Citizens shall carry no Workers' Compensation insurance or any health or accident insurance to cover Vendor or Vendor Staff. Citizens shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Vendor nor Vendor Staff shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or retirement plan of Citizens.
- 11.3. Vendor Conflicts of Interests. Vendor must execute a Conflict of Interest Form as required by Citizens from time to time. Vendor shall not have a relationship with a Citizens officer or employee that creates a conflict of interest. If there is the appearance of a conflict of interest, Vendor will promptly contact Citizens' Contract Manager or designee to obtain a written decision as to whether action needs to be taken to ensure a conflict does not exist or that the appearance of a conflict is not significant.
- 11.4. No Gifts. Vendor shall not give a gift or make an expenditure to or for the personal benefit of a Citizens officer or employee.
- 11.5. Convicted Vendor List. Vendor shall immediately notify Citizens' Contract Manager or designee in writing if it is placed on the convicted vendor list maintained by the State of Florida pursuant to Section 287.133, Florida Statutes, or on any similar list maintained by any other state or the federal government.
- 11.6. Compliance with Laws. Vendor and Vendor Staff will comply with all applicable laws, ordinances, rules, and regulations governing Vendor's performance under this Agreement. This includes: (a) registration and annual renewal of authority to transact business in the State of Florida (via www.sunbiz.org) or Vendor's annual written attestation that such authorization is not required; and, (b) maintaining all other necessary permits or licenses from federal, state, and local regulatory/licensing authorities.
- 11.7. Subcontracting. Vendor shall not enter into any subcontracts for the performance of the Services or assign or transfer any of its rights or obligations under this Agreement, without Citizens' prior written consent and any attempt to do so shall be void and without effect. Vendor's use of any subcontractors in the performance of the Services shall not relieve Vendor of any of its duties or obligations under this Agreement, and Vendor shall indemnify and hold Citizens harmless from any payment required to be paid to any such subcontractors.
- 11.8. Severability. If a court deems any provision of this Agreement void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
- 11.9. Headings. The sections and headings herein contained are for the purposes of

identification only and shall not be considered as controlling in construing this Agreement.

- 11.10. Publicity; Use of Names and Logos. Vendor may use Citizens' name and logo in its marketing materials, website, and social media to indicate that it is a participating or contracted vendor for Citizens. However, Vendor may not in any way state, imply or infer that it holds a "preferred," "approved," "awarded," "selected," or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Vendor enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Vendor cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in corrective action, up to and including contract termination. Vendor may only use the approved Citizens logo, which may be obtained by sending a request via email to: newsroom@citizensfla.com.
- 11.11. Waiver. The delay or failure by a Party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 11.12. Modification of Terms. Except as otherwise provided for herein, this Agreement may only be modified or amended upon a mutual written contract amendment signed by Citizens and Vendor or as otherwise permitted by this Agreement. Vendor may not unilaterally modify the terms of this Agreement in any manner such as by affixing additional terms to any Deliverable (e.g., attachment or inclusion of standard preprinted forms, product literature, "shrink wrap" or "click through" terms, whether written or electronic) or by incorporating such terms onto Vendor's order or fiscal forms or other documents forwarded by Vendor for payment and any such terms shall have no force or effect upon Citizens or this Agreement. Citizens' acceptance of any Service or processing of documentation on forms furnished by Vendor for approval or payment shall not constitute acceptance of any proposed modification to terms and conditions or any conflicting terms and conditions.
- 11.13. Assignments. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of each Party, but only as permitted under this Agreement. Each Party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of this Agreement. Vendor shall not sell, assign or transfer any of its rights (including rights to payment), duties or obligations under this Agreement without the prior written consent of Citizens. In the event of any assignment, Vendor shall remain liable for performance of this Agreement unless Citizens expressly waives such liability. Citizens may assign this Agreement with prior written notice to Vendor of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of Citizens.
- 11.14. Notice and Approval of Changes in Ownership. Because the award of this Agreement may have been predicated upon Vendor's ownership structure, Vendor agrees that any transfer of a substantial interest in Vendor by any of its owners shall require notification to Citizens. By execution of this Agreement, Vendor

represents that it has no knowledge of any intent to transfer a substantial interest in Vendor. A substantial interest shall mean at least twenty-five percent (25%) of the voting shares or control over Vendor. This Section shall not apply to: (a) transfers occurring upon the incapacitation or death of an owner; or, (b) transfers associated with an initial public offering on a major stock exchange.

- 11.15. Assignment of Antitrust Claims. Vendor and Citizens recognize that in actual economic practice, overcharges resulting from antitrust violations are usually borne by the ultimate consumer. Therefore, Vendor hereby assigns to Citizens any and all claims under the antitrust laws of Florida or the United States for overcharges incurred in connection with this Agreement.
- 11.16. Force Majeure. Neither Party shall be responsible for delays or disruptions in performance if the cause of the delay or disruption was beyond that Party's reasonable control (or the reasonable control of its employees, subcontractors, or agents) to the extent not occasioned by the fault or negligence of the delayed or disrupted Party. In no case shall Vendor's labor matters, such as strikes or availability of subcontractors, if any, be considered a force majeure event. Further, this Section may not be invoked to excuse or delay Vendor's compliance with its obligations to protect Citizens Confidential Information or Citizens Data. To be excused from delays or disruptions hereunder, Vendor must promptly notify Citizens in writing of the delay or disruption. If the delay or disruption is justified, as solely determined by Citizen, Citizens will give Vendor a reasonable extension of time to perform; provided, however, that Citizens may elect to terminate this Agreement in whole or in part if Citizens determines, in its sole judgment, that such a delay or disruption will significantly impair the value of this Agreement to Citizens. THE FOREGOING EXTENSION OF TIME SHALL BE VENDOR'S SOLE REMEDY WITH RESPECT TO FORCE MAJEURE EVENTS. Vendor shall not be entitled to any increase in price or payment of any kind from Citizens for direct, indirect, consequential, or other costs or damages arising because of such delays or disruptions.
- 11.17. Because of the nature of Citizens' business, Citizens requires that Vendor take every reasonable measure to avoid or minimize any delay or disruption under this Section, including the timely activation of Vendor's business continuity and disaster recovery plans. Where Vendor fails to undertake such efforts, the delay or disruption shall be included in the determination of any service level achievement.
- 11.18. If a force majeure event results in a partial reduction in Vendor's capacity to serve its clients, Vendor agrees that Citizens will receive the same or better priority as Vendor's other clients with respect to the allocation of Vendor's resources.

APPENDIX B – INVESTMENT POLICIES

CITIZENS PROPERTY INSURANCE

CORPORATION INVESTMENT POLICY for

Liquidity Fund (Taxable)

INTRODUCTION

Citizens is a government entity whose purpose is to provide property and casualty insurance for those Floridians who cannot obtain affordable coverage in the private market. Citizens strives to pay policyholder claims in a timely manner while maintaining quality customer service and a sound financial posture. Prudent investment of its cash can serve to further these goals.

Citizens will invest its funds according to three separate policies:

- (1) Liquidity Fund (Taxable): generally, this policy will govern the investment of funds and surplus that will be the first moneys used to pay claims after an event, and that can be used to pay operating expenses on an ongoing basis. The liquidity fund amount, including internally managed funds, is evaluated annually to equal the approximate amount of funds needed to reach the attachment point of the Florida Hurricane Catastrophe Fund (FHCF).
- (2) Claims-Paying Fund (Taxable): generally, this policy will govern the investment of funds that are up to the 1-100 year probable maximum loss and will be used to pay claims post-event after Citizens has expended all moneys in the Liquidity Fund. Only moneys eligible for investment in taxable instruments will be deposited in this fund.
- (3) Claims-Paying Long Duration Fund (Taxable): generally, this policy will govern the investment of funds that are above the 1-100 year probable maximum loss and will be used to pay claims post-event after Citizens has expended all moneys in the Taxable Claims-Paying Fund. Only moneys eligible for investment in taxable instruments will be deposited in this fund.

In addition, Citizens may choose to invest a portion of its portfolio in a separately externally managed account, similar to 2a-7 money market funds, and continue to use its own investment personnel to invest operating funds. The Operating Funds Portfolio will consist of the approximate amount of funds needed to pay the operating expenses of Citizens, as determined by Citizens' Chief Financial Officer (CFO). Internally Managed Funds will be invested in Money Market Mutual Funds, Bank Instruments, and Treasury or Agency securities. For all other funds, (the "Externally Managed Funds") Citizens will utilize third-party professional Investment Managers selected in a method consistent with applicable law and Citizens' internal procurement policies.

In addition to the restrictions and guidelines contained herein, Citizens' investments must comply with applicable Florida Statutes and bond document restrictions, all of which are incorporated by reference.

Citizens' overall investment strategy will have the following prioritized goals: (i) safety of principal; (ii) liquidity, so that operating expenses and claims can be paid in a timely manner; and (iii) competitive returns. However, each of the policies described above may provide for different portfolio duration, credit quality, and other parameters consistent with these broad goals and the specific purpose of the underlying fund.

INVESTMENT OBJECTIVES

The primary investment objectives of the Liquidity Fund are to provide stability of principal and liquidity while achieving a competitive return on invested assets. Cash flow needs for Citizens after a storm are difficult to project, but it is prudent to assume that

significant amounts of cash could be needed quickly to pay covered losses quickly. Since paying such losses fully and in a timely manner is the highest priority for Citizens, and since Liquidity Fund moneys will be among the first used by Citizens to pay claims after a storm, liquidity and principal stability in the Liquidity Fund must be paramount. The achievement of these goals is of prime importance and should not be jeopardized in the quest for additional return.

INVESTMENT STRATEGIES, COMPLIANCE AND PERFORMANCE MEASUREMENT

Citizens' Liquidity Fund portfolio ("the Portfolio") will be invested only in short-term high quality fixed income securities. *Fixed Income Securities* are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Citizens or its Investment Managers will invest in include corporate debt securities, bank instruments, US Treasury securities ("Government securities"), US Government Agency securities ("Agency securities"), Mortgage-Backed securities, certain Asset-Backed securities, Municipal securities, and shares of Money Market Mutual Funds. Investment Managers are permitted to buy 144A securities. It is the responsibility of the investment manager(s) to maintain compliance with all aspects of this policy on a daily basis. Citizens will independently verify compliance periodically, and it is therefore required that all investment managers supply Citizens with whatever data is needed to perform such verification in a timely manner. However, Citizens' compliance checks do not relieve the investment managers of their responsibility to perform such checks on a daily basis.

Citizens will measure the performance of the Portfolio from various perspectives: (i) the Portfolio will be measured regularly for compliance with the Investment Guidelines below and the Investment Objectives above; (ii) the Portfolio's performance will be analyzed for return performance by comparing the various Investment Managers' Liquidity Funds (Taxable) performance to each other on a regular basis; (iii) the Portfolio's performance, and each Investment Manager's share thereof, will be compared to investment benchmarks – or a blend of investment benchmarks – on a monthly basis which Citizens will establish and will communicate to managers periodically. The purpose of using any investment benchmark as performance measurement tools is not to guide investment selection – the Investment Managers' professional judgment, operating within the specific Investment Guidelines below, is meant to be the determinant of investment selection. Rather, Citizens will use any investment benchmark to measure the Portfolio's overall performance and as one measure of the relative performance of the Investment Managers. The Investment Managers must provide reports to Citizens on a monthly basis, or more frequently as requested by Citizens, that enable Citizens to understand specifically how the Portfolio is being invested so this performance analysis can be done.

PORTFOLIO MANAGEMENT AND IMPLEMENTATION

Any investment recommendation, approval or decision under this Guideline made by Citizens or its Investment Manager (an “Investment Action”) must be made only in accordance with the following:

- (i) any Investment Action must be based solely on pecuniary factors and may not subordinate the interests of the participants and beneficiaries of the applicable fund to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor;
- (ii) the weight given to any pecuniary factor in any Investment Action must appropriately reflect a prudent assessment of its impact on risk and returns; and
- (iii) any Investment Action must be consistent with the fiduciary standard of care required by Section 215.47, Fla. Stat.

As defined by law, a “pecuniary factor” is a factor that Citizens, or its Investment Manager, expects to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objective. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

INVESTMENT GUIDELINES

Credit Quality

At the time of purchase, all securities must be rated in accordance with the following.

- (1) Securities with long-term investment ratings must be rated from at least two of Moody’s, S&P, and/or Fitch with minimum ratings of BBB-/Baa3;
- (2) Securities with short-term investment ratings must be rated from at least two of Moody’s, S&P, and/or Fitch, and must have minimum ratings of P-1 by Moody’s; A-1 by S&P; and/or F1 by Fitch;
- (3) Money Market Funds must be rated Aaa by Moody’s, AAA_m by S&P and/or AAA_{mmf} by Fitch;
- (4) Banker’s Acceptances (BAs) and Certificates of Deposit (CDs) can be issued by any domestic or foreign bank with minimum capital of \$100 million and the bank must have minimum ratings of P-1 by Moody’s or A-1 by S&P.
- (5) Asset-backed securities of single issuing trust or master trust for prime automobile, equipment loan and lease receivables, floorplans, handset devices, and credit card receivables, must be rated from at least one of Moody’s, S&P, and/or Fitch and must have long-term ratings of Aaa by Moody’s, AAA by S&P, and/or AAA by Fitch. At original issuance, deal size must be at least \$250 million, and tranche size must be at least \$50 million for each security.
- (6) Collateralized Loan Obligations (CLOs) from Broadly Syndicated Markets, Non-Agency Residential Mortgage-Backed Securities (RMBS) and Commercial Mortgage-

Backed Securities (CMBS), including Single Asset Single Borrower (SASB), must be rated from at least one of Moody's, S&P, or Fitch and must have long-term ratings of Aaa by Moody's, AAA by S&P, or AAA by Fitch. At original issuance, deal size must be at least \$250 million, and tranche size must be at least \$50 million for each security.

- (7) If the issue or security has no ratings, the ratings of the underlying program or issuer can be used as long as the program or issuer with allowable ratings provides an explicit and unconditional guarantee for the security in the Portfolio.

If anything occurs which causes an investment in the Portfolio to be downgraded by one notch to BBB+ or falls outside the standards described above, the applicable Investment Manager must notify Citizens' CFO or the CFO's designee in writing via e-mail within one business day of the occurrence of such event. The Investment Manager must also prepare a written plan of action for the affected security and present it to the CFO, or the CFO's designee, within five business days of an event or a negative watch that falls outside the standards. In general, any such affected security outside the standards should be liquidated in a timely fashion as market conditions warrant, and the manager should provide a written recommendation to the CFO or the CFO's designee; however, immediate sale in a temporarily depressed market is not mandated by this policy.

Diversification

It is Citizens' intent to maintain a properly diversified portfolio in order to reduce its risk from changes in the market for various classes of securities and to protect against changes in the financial health of any issuer of securities purchased by or on behalf of Citizens. Each individual Investment Manager should treat its portfolio as a stand-alone entity for purposes of compliance with the diversification restrictions of this policy. With that in mind, the following diversification restrictions apply:

- Treasury and Agency securities, Treasury and Agency Money Market Funds, Agency Mortgage-Backed Securities (MBS), Agency Collateralized Mortgage Obligations (CMO), Agency Commercial Mortgage-Backed Securities (CMBS) and notes whose principal and interest payments are fully insured by the FDIC and Treasury and Agency Collateralized Repurchase Agreements must in total be at least 35% of the Portfolio.
- Corporate securities, Commercial Paper, Banker's Acceptances (BAs), and Certificates of Deposit (CDs), Municipal Securities, and corporate Money Market Funds in total cannot comprise more than 65% of the Portfolio.
- No more than 30% of the Portfolio shall be in a single industry sector. Treasury and Agency securities or Treasury and Agency Money Market Funds are not considered to be part of an industry for these purposes. The Bloomberg BCLASS Indices Global Sector Classification will be used to verify the sector limit.

- No more than 15% of the Portfolio shall be invested in Agency MBS, CMBS or CMO.
- No more than 15% of the Portfolio shall be invested in 144A securities.
- Securities of a single issuer (excluding Treasury and Agency securities) shall not represent more than 3% of the Portfolio.
- Securities that have a rating(s) from Moody's, S&P, and/or Fitch of either BBB- or Baa3 shall not represent more than 5% of the Portfolio, with the securities of a single issuer representing no more than 0.5% of the Portfolio.
- Securities of any individual Agency, including MBS, CMBS or CMO, should not represent more than 20% of the Portfolio.
- Investments in an individual Prime Money Market Fund (excluding Treasury and Agency Money Market Funds) shall be limited to a lesser of \$200 million or 4% of that individual Money Market Fund's total assets.
- Floating Rate Notes collateralized by Certificate of Deposits and issued through the Yankee CD Program will be considered Corporate Floating Rate Notes.
- Municipal Securities shall not represent more than 25% of the overall Portfolio.
- Repurchase Agreements shall not represent more than 15% of the Portfolio's amortized cost and should be collateralized as described in Appendix A.
- Banker's Acceptances (BA) and Certificates of Deposits (CDs) shall not collectively represent more than 15% of the Portfolio.
- Structured products including non-agency mortgage-backed securities, CLOs, and asset-backed securities for prime automobile, floorplans, handset devices, equipment loan and lease receivables, and credit card receivables shall not represent more than 15.0% of the Portfolio with the securities of a single issuer representing no more than 1.0% of the Portfolio.
- Exposure to banks providing LOC or liquidity support for the underlying securities in Citizens' portfolio should be diversified as well. No bank shall provide such support for underlying securities representing more than 10% of the total Portfolio.
- Commercial Paper shall not represent more than 20% of the Portfolio.

Duration

It is Citizens' intent under this policy to have a portfolio that can provide ready liquidity at a price approximating amortized cost. Each individual Investment Manager should treat its portfolio as a stand-alone entity for purposes of compliance with the duration restrictions of this policy. With that in mind, the following duration restrictions apply:

- The maximum permitted final maturity or weighted average life for any security in the portfolio is 42 months or three years and six months.
 - For purposes of this calculation, the final maturity of any variable or floating rate obligation (collectively, "VROs") with a Demand Feature (a feature permitting the holder of a security to sell such security within 397 days at an exercise price equal to the approximate amortized cost of the security at the time of exercise, where such feature is supported by a letter of credit ("LOC") or other

liquidity facility from a bank rated as described above) shall be deemed to be the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs. Any such LOC or liquidity facility must be renewed at least 45 days prior to its expiration to be deemed in effect for purposes of this policy. For VROs without a Demand Feature, the final maturity for purposes of this section is the stated legal maturity.

- No more than twenty-five percent (25%) of the portfolio may be invested in securities with remaining time to maturities or remaining weighted average life of 30 to 42 months.
- The dollar weighted average maturity of the portfolio shall not exceed 548 days, calculated using the interest rate reset period for any VROs without a Demand Feature, and for VROs with a Demand Feature using the longer of the interest rate reset period or the time remaining until the Demand Feature could be exercised.
 - The dollar weighted average life maturity of the portfolio shall not exceed 36 months, calculated using the stated legal maturity for any VROs without a Demand Feature and for VROs with a Demand Feature using the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs.
- Banker's Acceptances and Certificates of Deposit must have a maximum maturity of less than 397 days.
- Repurchase Agreements must have a maximum maturity of 30 days or less. Asset-backed, agency and non-agency mortgage-backed securities, CMBS and CLOs shall use the weighted average life as the final maturity date with a maximum weighted average life of 3 years and 6 months.
- If a fixed rate security has mandatory put option, then the mandatory put date will be used as a final maturity date.
- If a variable rate security has mandatory put option, then the mandatory put date will be used as a final maturity date if the issuer has underlying ratings by at least two of Moody's, S&P and/or Fitch, with minimum ratings of A2 from Moody's, A from S&P and/or A from Fitch.

STRESS TESTING

Upon request by Citizens, the Investment Managers will stress-test the portfolio in order to gauge the ability of the Portfolio to withstand interest rate shifts, credit shocks, and other market changes. Citizens' will provide the stress test conditions with its request prior to the stress test date.

OTHER RESTRICTIONS

- Auction Rate Securities are not permitted.
- Commercial Paper Notes issued under Section 4(2) of the Securities Act of 1933 are not permitted.

- Qualified Public Depositories are not permitted.
- Derivatives are not permitted.
- Subordinate obligations, regardless of ratings, are not permitted.
- Middle Market CLOs are not permitted.
- Repurchase Agreements (unless collateralized as described in Appendix A), Reverse Repurchase Agreements and Securities Lending are not permitted.
- Citizens' investment policies follow the guidelines under Sections 215.471, 215.4725 and 215.473. Investment managers are prohibited from acquiring or retaining any obligation, security or other investment that is in violation of these sections.
- All securities must be dollar-denominated and regulated by United States securities laws.
- All securities not explicitly listed as permitted investments are hereby deemed to be prohibited under this policy unless written permission is received from the CFO or the CFO's designee of Citizens.

Appendix A-Definitions of Types of Permitted Securities

CORPORATE DEBT SECURITIES

Corporate Debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Citizens may also purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial Paper is an issuer's obligation with a maturity of less than 9 or 12 months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Citizens' treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

BANK INSTRUMENTS

Bank instruments are unsecured interest-bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, Time Deposits, Certificates of Deposit and

Banker's Acceptances. Yankee instruments are denominated in US dollars and issued by non-US branches or foreign banks.

Neither Citizens nor its Investment Managers will invest in instruments of domestic or foreign banks and savings and loans unless they have capital, surplus and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund of the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation either directly or as part of CDARS (Certificate of Deposit Account Registry Service) program.

These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Eurodollar Time Deposits.

FLOATING RATE NOTES

Floating rate Notes are Variable rate bonds with an interest rate that is periodically reset, usually every three months, and that carry a fixed spread, usually over the three-month London Interbank Offered Rate (LIBOR).

U.S. TREASURY SECURITIES

US Treasury securities are direct obligations of the federal government of the United States.

AGENCY SECURITIES

Agency securities are issued or guaranteed by a federal agency or other Government-Sponsored Entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans, or other benefits, For example, the US Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Notes issued through the US Government Temporary Liquidity Guarantee Program, whose interest and principal payments are fully and unconditionally guaranteed by the FDIC will be considered Agency Notes.

AGENCY MORTGAGE-BACKED SECURITIES

Mortgage pass-through securities are issued by Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHMLC) and Federal National Mortgage Association (FNMA). The pass-through securities represent a direct ownership interest in a pool of mortgage loans.

An issuer of a pass-through or participation certificate (PC) collects monthly payments from the borrowers whose loans are in a given pool and “passes through” the cash flow to investors in monthly payments, less any servicing and/or guarantee fees. Most pass-throughs are backed by fixed-rate mortgage loans; however, *adjustable-rate mortgage loans (ARMs)* are also pooled to create the securities.

NON-AGENCY MORTGAGE-BACKED SECURITIES

Non-Agency mortgage-backed securities are for real estate and mortgage-backed securities. They are not issued by an Agency but are issued by private lenders and are issued in tranches with a structure similar to Agency backed securities.

COLLATERALIZED LOAN OBLIGATIONS

A collateralized loan obligation (CLO) is a security backed by a pool of debt. They are backed by corporate loans or loans taken out by private equity firms to conduct leveraged buyouts.

ASSET-BACKED SECURITIES

An asset-backed security is a financial security backed by a loan, lease, credit card, or receivables against assets other than real estate and mortgage-backed securities.

MUNICIPAL SECURITIES

Municipal securities are issued by states, counties, cities, and other political subdivisions and authorities. Both taxable and tax-exempt municipal securities are allowable investments.

FOREIGN SECURITIES

Foreign securities are US dollar-denominated securities of issuers based outside the United States. Citizens considers the issuer to be based outside the United States if: it is organized under the laws of, or has a principal office located in, another country; or it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue, or profit from goods produced, services performed, or sales made in another country.

MONEY MARKET MUTUAL FUNDS

Money Market mutual funds are registered investment companies that comply with rule 2a7 of the Investment Company Act of 1940.

REPURCHASE AGREEMENTS (REPOs)

Repurchase Agreements are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back at an agreed upon price the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo.

Repurchase Agreements are permitted for use by Citizens when transacted with any registered broker/dealer or any domestic commercial bank whose unsecured long-term debt obligations are rated at least "A2" by Moody's and "A" by S &P without regard to gradation. In addition, (a) a specific written repurchase agreement must govern the transaction, (b) the securities must be held free and clear of any lien, by the Indenture Trustee or an independent third party acting solely as agent for the Indenture Trustee, and (c) such party must be a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$100 million, and the Indenture Trustee must have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Indenture Trustee.

Any Repurchase Agreement must be collateralized at least 102% with U.S. Government or Agency securities, excluding Mortgage-Backed Securities. All Repurchase Agreements must be marked-to-market daily.

CITIZENS PROPERTY INSURANCE
CORPORATION INVESTMENT POLICY for
Claims-Paying Fund (Taxable)

INTRODUCTION

Citizens is a government entity whose purpose is to provide property and casualty insurance for those Floridians who cannot obtain affordable coverage in the private market. Citizens strives to pay policyholder claims in a timely manner while maintaining quality customer service and a sound financial posture. Prudent investment of its cash can serve to further these goals.

Citizens will invest its funds according to three separate policies:

- (1) Liquidity Fund (Taxable): generally, this policy will govern the investment of funds and surplus that will be the first moneys used to pay claims after an event, and that can be used to pay operating expenses on an ongoing basis. The liquidity fund amount, including internally managed funds, is evaluated annually to equal the approximate amount of funds needed to reach the attachment point of the Florida Hurricane Catastrophe Fund (FHCF).
- (2) Claims-Paying Fund (Taxable): generally, this policy will govern the investment of funds that are up to the 1-100 year probable maximum loss and will be used to pay claims post-event after Citizens has expended all moneys in the Liquidity Fund. Only moneys eligible for investment in taxable instruments will be deposited in this fund.
- (3) Claims-Paying Long Duration Fund (Taxable): generally, this policy will govern the investment of funds that are above the 1-100 year probable maximum loss and will be used to pay claims post-event after Citizens has expended all moneys in the Taxable Claims-Paying Fund. Only moneys eligible for investment in taxable instruments will be deposited in this fund.

In addition, Citizens may choose to invest a portion of its portfolio in a separately externally managed account, similar to 2a-7 money market funds, and continue to use its own investment personnel and the investment procedures to invest operating funds. The Operating Funds Portfolio will consist of the approximate amount of funds needed to pay the operating expenses of Citizens, as determined by Citizens' Chief Financial Officer (CFO). Internally Managed Funds will be invested in Money Market Mutual Funds, Bank Instruments, and Treasury or Agency securities. For all other funds, (the "Externally Managed Funds") Citizens will utilize third-party professional Investment Managers selected in a method consistent with applicable law and Citizens' internal procurement policies.

In addition to the restrictions and guidelines contained herein, Citizens' investments

must comply with applicable Florida Statutes and bond document restrictions, all of which are incorporated by reference.

Citizens' overall investment strategy will have the following prioritized goals: (i) safety of principal; (ii) liquidity, so that operating expenses and claims can be paid in a timely manner; and (iii) competitive returns. However, each of the policies described above may provide for different portfolio duration, credit quality, and other parameters consistent with these broad goals and the specific purpose of the underlying fund.

INVESTMENT OBJECTIVES

The primary investment objectives of the Claims-Paying Fund are to provide safety of principal and liquidity while achieving a competitive return on invested assets. Cash flow needs for Citizens after a storm are difficult to project, but it is prudent to assume that significant amounts of cash could be needed quickly to pay covered losses. Since paying such losses fully and in a timely manner is a priority for Citizens, liquidity in all portfolios must be paramount. While the moneys invested pursuant to this policy will not be the first funds Citizens uses after a storm to pay claims, the uncertainty of when they will be needed still demands a fixed income portfolio with relatively short to intermediate duration and high credit quality.

INVESTMENT STRATEGIES, COMPLIANCE AND PERFORMANCE MEASUREMENT

Citizens' Claims-Paying Fund portfolio ("the Portfolio") will be invested only in high quality fixed income securities. *Fixed Income Securities* are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Citizens or its Investment Managers will invest in include corporate debt securities, bank instruments, US Treasury securities ("Government securities"), US Government Agency securities ("Agency securities"), Mortgage-Backed Securities, certain Asset-Backed securities, Municipal securities, and shares of Money Market Mutual Funds. Investment Managers are permitted to buy 144A securities. It is the responsibility of the Investment Manager(s) to maintain compliance with all aspects of this policy on a daily basis. Citizens will independently verify compliance periodically, and it is therefore required that all Investment Managers supply Citizens with whatever data is needed to perform such verification in a timely manner. However, Citizens' compliance checks do not relieve the Investment Managers of their responsibility to perform such checks on a daily basis.

Citizens will measure the performance of the Portfolio from various perspectives: (i) the Portfolio will be measured regularly for compliance with the Investment Guidelines below and the Investment Objectives above; (ii) the Portfolio's performance will be analyzed for return performance by comparing the various Investment Managers' Claims-Paying Funds (Taxable) performance to each other on a regular basis; (iii) the Portfolio's performance,

and each Investment Manager's share thereof, will be compared to investment benchmarks – or a blend of investment benchmarks – on a monthly basis which Citizens will establish and will communicate to managers periodically. The purpose of using any investment benchmark as performance measurement tools is not to guide investment selection – the Investment Managers' professional judgment, operating within the specific Investment Guidelines below, is meant to be the determinant of investment selection. Rather, Citizens will use any investment benchmark to measure the Portfolio's overall performance and as one measure of the relative performance of the Investment Managers. The Investment Managers must provide reports to Citizens on a monthly basis, or more frequently as requested by Citizens, that enable Citizens to understand specifically how the Portfolio is being invested so this performance analysis can be done.

PORTFOLIO MANAGEMENT AND IMPLEMENTATION

Any investment recommendation, approval or decision under this Guideline made by Citizens or its Investment Manager (an "Investment Action") must be made only in accordance with the following:

- (i) any Investment Action must be based solely on pecuniary factors and may not subordinate the interests of the participants and beneficiaries of the applicable fund to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor;
- (ii) the weight given to any pecuniary factor in any Investment Action must appropriately reflect a prudent assessment of its impact on risk and returns; and
- (iii) any Investment Action must be consistent with the fiduciary standard of care required by Section 215.47, Fla. Stat

As defined by law, a "pecuniary factor" is a factor that Citizens, or its Investment Manager, expects to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objective. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

INVESTMENT GUIDELINES

Credit Quality

At the time of purchase, all securities must be rated in accordance with the following.

- (1) Securities with long-term investment ratings must be rated from at least two of Moody's, S&P, and/or Fitch with minimum ratings of BBB-/Baa3;
- (2) Securities with short-term investment ratings must be rated from at least two of Moody's, S&P, and/or Fitch, and must have minimum ratings of P-1 by Moody's; A-1

- by S&P; and/or F1 by Fitch;
- (3) Money Market Funds must be rated Aaa by Moody's, AAA_m by S&P and/or AAA_{mmf} by Fitch;
 - (4) Banker's Acceptances (BAs) and Certificates of Deposit (CDs) can be issued by any domestic or foreign bank with minimum capital of \$100 million and the bank must have minimum ratings of P-1 by Moody's or A-1 by S&P.
 - (5) Asset-backed securities of single issuing trust or master trust for prime automobile, equipment loan and lease receivables, floorplans, handset devices, and credit card receivables must be rated from at least one of Moody's, S&P, and/or Fitch and must have long-term ratings of Aaa by Moody's, AAA by S&P, and/or AAA by Fitch. At original issuance, deal size must be at least \$250 million, and tranche size must be at least \$50 million for each security.
 - (6) Collateralized Loan Obligations (CLOs) from Broadly Syndicated Markets, Non-Agency Residential Mortgage-Backed Securities (RMBS) and Commercial Mortgage-Backed Securities (CMBS), including Single Asset Single Borrower (SASB), must be rated from at least one of Moody's, S&P, or Fitch and must have long-term ratings of Aaa by Moody's, AAA by S&P, or AAA by Fitch. At original issuance, deal size must be at least \$250 million, and tranche size must be at least \$50 million for each security.
 - (7) If the issue or security has no ratings, the ratings of the underlying program or issuer can be used as long as the program or issuer with allowable ratings provides an explicit and unconditional guarantee for the security in the Portfolio.

If anything occurs which causes an investment in the Portfolio to be downgraded by one notch to BBB+ or falls outside the standards described above, the applicable Investment Manager must notify Citizens' CFO or the CFO's designee in writing via e-mail within one business day of the occurrence of such event. The Investment Manager must also prepare a written plan of action for the affected security and present it to the CFO, or the CFO's designee, within five business days of an event or a negative watch that falls outside the standards. In general, any such affected security outside the standards should be liquidated in a timely fashion as market conditions warrant, and the manager should provide a written recommendation to the CFO or the CFO's designee; however, immediate sale in a temporarily depressed market is not mandated by this policy.

Diversification

It is Citizens' intent to maintain a properly diversified portfolio in order to reduce its risk from changes in the market for various classes of securities and to protect against changes in the financial health of any issuer of securities purchased by or on behalf of Citizens. Each individual Investment Manager should treat its portfolio as a stand-alone entity for purposes of compliance with the diversification restrictions of this policy. With that in mind, the following diversification restrictions apply:

- Treasury and Agency securities, Treasury and Agency Money Market Funds, Agency

Mortgage-Backed Securities (MBS), Agency Commercial Mortgage-Backed Securities (CMBS), Agency Collateralized Mortgage Obligations (CMO) and Notes whose principal and interest payments are fully insured by the FDIC and Treasury and Agency Collateralized Repurchase Agreements must in total be at least 25% of the Portfolio.

- Corporate securities, Commercial Paper, Banker's Acceptances (BAs) and Certificates of Deposit (CDs), Municipal Securities, and corporate Money Market Funds in total cannot comprise more than 75% of the Portfolio.
- No more than 30% of the Portfolio shall be in a single industry sector. Treasury and Agency securities or Treasury Money Market Funds are not considered to be part of an industry for these purposes. The Bloomberg BCLASS Indices Global Sector Classification will be used to verify the sector limit.
- No more than 15% of the Portfolio shall be invested in Agency MBS, CMBS or CMO.
- No more than 15% of the Portfolio shall be invested in 144A securities.
- Securities of a single issuer (excluding Treasury and Agency securities) shall not represent more than 3% of the Portfolio.
- Securities that have a rating(s) from Moody's, S&P, and/or Fitch of either BBB- or Baa3 shall not represent more than 7.5% of the Portfolio, with the securities of a single issuer representing no more than 10% of the Portfolio.
- Securities of any individual Agency, including MBS, CMBS or CMO, should not represent more than 20% of the Portfolio.
- Investments in an individual Prime Money Market Fund (excluding Treasury and Agency Money Market Funds) shall be limited to a lesser of \$200 million or 4% of that individual Money Market Fund's total assets.
- Floating Rate Notes collateralized by Certificate of Deposits and issued through the Yankee CD program will be considered Corporate Floating Rate Notes.
- Municipal Securities shall not represent more than 30% of the Portfolio.
- Repurchase Agreements shall not represent more than 15% of the Portfolio's amortized cost and should be collateralized as described in Appendix A.
- Banker's Acceptances (BA) and Certificates of Deposits (CDs) shall not collectively represent more than 10% of the Portfolio.

Structured products including non-agency mortgage-backed securities, CLOs, and asset-backed securities for prime automobile, floorplans, handset devices, equipment loan and lease receivables, and credit card receivables shall not represent more than 15% of the Portfolio, with the securities of a single issuer representing no more than 1.0% of the Portfolio.

- Exposure to banks providing LOC or liquidity support for the underlying securities in Portfolio should be diversified as well. No bank shall provide such support for underlying securities representing more than 10% of the Portfolio.
- No more than 30% of the Portfolio shall consist of securities, excluding securities where weighted average life is used, with a final maturity between 97 and 121 months.

(1) Duration

It is Citizens' intent under this policy to have a portfolio that can provide ready liquidity at a price approximating amortized cost. Each individual Investment Manager should treat its portfolio as a stand-alone entity for purposes of compliance with the duration restrictions of this policy. With that in mind, the following duration restrictions apply:

- The maximum permitted final maturity for any security, except for securities where the weighted average life is used, in the Portfolio is 121 months or ten years and one month.
 - For purposes of this calculation, the final maturity of any variable or floating rate obligation (collectively, "VROs") with a Demand Feature (a feature permitting the holder of a security to sell such security within 3 years at an exercise price equal to the approximate amortized cost of the security at the time of exercise, where such feature is supported by a letter of credit ("LOC") or other liquidity facility from a bank rated as described above) shall be deemed to be the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs. Any such LOC or liquidity facility must be renewed at least 45 days prior to its expiration to be deemed in effect for purposes of this policy. For VROs without a Demand Feature, the final maturity for purposes of this section is the stated legal maturity.
- The dollar weighted average maturity of the Portfolio shall not exceed 72 months, or six years, calculated using the interest rate reset period for any VROs without a Demand Feature, and for VROs with a Demand Feature using the longer of the interest rate reset period or the time remaining until the Demand Feature could be exercised.
- Banker's Acceptances and Certificates of Deposit must have a maximum maturity of less than 397 days.
- Repurchase Agreements must have a maximum maturity of 30 days or less.
- If a fixed rate security has mandatory put option, then the mandatory put date will be used as a final maturity date.
- If a variable rate security has mandatory put option, then the mandatory put date will be used as a final maturity date if the issuer has underlying ratings by at least two of Moody's, S&P and/or Fitch, with minimum ratings of A2 from Moody's, A from S&P and/or A from Fitch.
- Asset-backed, agency and non-agency mortgage-backed securities, CMBS and CLOs shall use the weighted average life as the final maturity date with a maximum weighted average life of 6 years.

STRESS TESTING

Upon request by Citizens, the Investment Managers will stress-test the portfolio in order to gauge the ability of the Portfolio to withstand interest rate shifts, credit shocks,

and other market changes. Citizens' will provide the stress test conditions with its request prior to the stress test date.

OTHER RESTRICTIONS

- Auction Rate Securities are not permitted.
- Commercial Paper Notes issued under Section 4(2) of the Securities Act of 1933 are not permitted.
- Qualified Public Depositories are not permitted.
- Derivatives are not permitted.
- Subordinate obligations, regardless of ratings, are not permitted.
- Middle Market CLOs are not permitted.
- Repurchase Agreements (unless collateralized as described in Appendix A), Reverse Repurchase Agreements and Securities Lending are not permitted.
- Citizens' investment policies follow the guidelines under Sections 215.471, 215.4725 and 215.473. Investment managers are prohibited from acquiring or retaining any obligation, security or other investment that is in violation of these sections.
- All securities must be dollar-denominated and regulated by United States securities laws.
- All securities not explicitly listed as permitted investments are hereby deemed to be prohibited under this policy unless written permission is received from the CFO or the CFO's designee of Citizens.

Appendix A-Definitions of Types of Permitted Securities

CORPORATE DEBT SECURITIES

Corporate Debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Citizens may also purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial Paper is an issuer's obligation with a maturity of less than 9 or 12 months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Citizens' treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

BANK INSTRUMENTS

Bank instruments are unsecured interest-bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, Time Deposits, Certificates of Deposit and Banker's Acceptances. Yankee instruments are denominated in US dollars and issued by non-US branches or foreign banks.

Neither Citizens nor its Investment Managers will invest in instruments of domestic or foreign banks and savings and loans unless they have capital, surplus and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund of the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation either directly or as part of CDARS (Certificate of Deposit Account Registry Service) program.

These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Eurodollar Time Deposits.

FLOATING RATE NOTES

Floating rate Notes are Variable rate bonds with an interest rate that is periodically reset, usually every three months, and that carry a fixed spread, usually over the three-month London Interbank Offered Rate (LIBOR).

U.S. TREASURY SECURITIES

US Treasury securities are direct obligations of the federal government of the United States.

AGENCY SECURITIES

Agency securities are issued or guaranteed by a federal agency or other Government-Sponsored Entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans, or other benefits, For

example, the US Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Notes issued through the US Government Temporary Liquidity Guarantee Program, whose interest and principal payments are fully and unconditionally guaranteed by the FDIC will be considered Agency Notes.

AGENCY MORTGAGE-BACKED SECURITIES

Mortgage pass-through securities are issued by Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHMLC) and Federal National Mortgage Association (FNMA). The pass-through securities represent a direct ownership interest in a pool of mortgage loans.

An issuer of a pass-through or participation certificate (PC) collects monthly payments from the borrowers whose loans are in a given pool and “passes through” the cash flow to investors in monthly payments, less any servicing and/or guarantee fees. Most pass-throughs are backed by fixed-rate mortgage loans; however, *adjustable-rate mortgage loans (ARMs)* are also pooled to create the securities.

NON-AGENCY MORTGAGE-BACKED SECURITIES

Non-Agency mortgage-backed securities are secured by real estate mortgage loans. They are not issued by an Agency but are issued by private lenders and are issued in tranches with a structure similar to Agency backed securities.

COLLATERALIZED LOAN OBLIGATIONS

A collateralized loan obligation (CLO) is a security backed by a pool of debt. They are backed by corporate loans or loans taken out by private equity firms to conduct leveraged buyouts.

ASSET-BACKED SECURITIES

An asset-backed security is a financial security backed by a loan, lease, credit card, or receivables against assets other than real estate and mortgage-backed securities.

MUNICIPAL SECURITIES

Municipal securities are issued by states, counties, cities, and other political subdivisions and authorities. Both taxable and tax-exempt municipal securities are allowable investments.

FOREIGN SECURITIES

Foreign securities are US dollar-denominated securities of issuers based outside the United States. Citizens considers the issuer to be based outside the United States if: it is organized under the laws of, or has a principal office located in, another country; or it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue, or profit from goods produced, services performed, or sales made in another country.

MONEY MARKET MUTUAL FUNDS

Money Market mutual funds are registered investment companies that comply with rule 2a7 of the Investment Company Act of 1940.

REPURCHASE AGREEMENTS (REPOs)

Repurchase Agreements are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back at an agreed upon price the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo.

Repurchase Agreements are permitted for use by Citizens when transacted with any registered broker/dealer or any domestic commercial bank whose unsecured long-term debt obligations are rated at least "A2" by Moody's and "A" by S &P without regard to gradation. In addition, (a) a specific written repurchase agreement must govern the transaction, (b) the securities must be held free and clear of any lien, by the Indenture Trustee or an independent third party acting solely as agent for the Indenture Trustee, and (c) such party must be a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$100 million, and the Indenture Trustee must have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Indenture Trustee.

Any Repurchase Agreement must be collateralized at least 102% with U.S. Government or Agency securities, excluding Mortgage-Backed Securities. All Repurchase Agreements must be marked-to-market daily.

CITIZENS PROPERTY INSURANCE
CORPORATION INVESTMENT POLICY for
Claims-Paying Long Duration Fund (Taxable)

INTRODUCTION

Citizens is a government entity whose purpose is to provide property and casualty insurance for those Floridians who cannot obtain affordable coverage in the private market. Citizens strives to pay policyholder claims in a timely manner while maintaining quality customer service and a sound financial posture. Prudent investment of its cash can serve to further these goals.

Citizens will invest its funds according to three separate policies:

- (1) Liquidity Fund (Taxable): generally, this policy will govern the investment of funds and surplus that will be the first moneys used to pay claims after an event, and that can be used to pay operating expenses on an ongoing basis. The liquidity fund amount, including internally managed funds, is evaluated annually to equal the approximate amount of funds needed to reach the attachment point of the Florida Hurricane Catastrophe Fund (FHCF).
- (2) Claims-Paying Fund (Taxable): generally, this policy will govern the investment of funds that are up to the 1-100 year probable maximum loss and will be used to pay

claims post-event after Citizens has expended all moneys in the Liquidity Fund. Only moneys eligible for investment in taxable instruments will be deposited in this fund.

- (3) Claims-Paying Long Duration Fund (Taxable): generally, this policy will govern the investment of funds that are above the 1-100 year probable maximum loss and will be used to pay claims post-event after Citizens has expended all moneys in the Taxable Claims-Paying Fund. Only moneys eligible for investment in taxable instruments will be deposited in this fund.

In addition, Citizens may choose to invest a portion of its portfolio in a separately externally managed account, similar to 2a-7 money market funds, and continue to use its own investment personnel to invest operating funds. The Operating Funds Portfolio will consist of the approximate amount of funds needed to pay the operating expenses of Citizens, as determined by Citizens' Chief Financial Officer (CFO). Internally Managed Funds will be invested in Money Market Mutual Funds, Bank Instruments, and Treasury or Agency securities. For all other funds, (the "Externally Managed Funds") Citizens will utilize third-party professional Investment Managers selected in a method consistent with applicable law and Citizens' internal procurement policies.

In addition to the restrictions and guidelines contained herein, Citizens' investments must comply with applicable Florida Statutes and bond document restrictions, all of which are incorporated by reference.

Citizens' overall investment strategy will have the following prioritized goals: (i) safety of principal; (ii) liquidity, so that operating expenses and claims can be paid in a timely manner; and (iii) competitive returns. However, each of the policies described above may provide for different portfolio duration, credit quality, and other parameters consistent with these broad goals and the specific purpose of the underlying fund.

INVESTMENT OBJECTIVES

The primary investment objectives of the Claims-Paying Long Duration Fund are to provide safety of principal while achieving a competitive return on invested assets. Cash flow needs for Citizens after a storm are difficult to project, but it is prudent to assume that significant amounts of cash could be needed to pay covered losses. Since paying such losses fully and in a timely manner is a priority for Citizens, liquidity in all portfolios must be paramount. However, the moneys invested pursuant to this policy will be used only after Citizens uses the moneys in its Liquidity Funds and Claims-Paying Funds for losses that exhaust approximately a 1-100 year probable maximum loss. As the moneys invested pursuant to this policy will be Citizens' last source of available funds, the duration limits of this policy will be longer than the duration of the Claims-Paying Fund (Taxable).

INVESTMENT STRATEGIES, COMPLIANCE AND PERFORMANCE MEASUREMENT

Citizens' Claims-Paying Long Duration Fund portfolio ("the Portfolio") will be invested only in high quality fixed income securities. *Fixed Income Securities* are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Citizens or its Investment Managers will invest in include corporate debt securities, bank instruments, US Treasury securities ("Government securities"), US Government Agency securities ("Agency securities"), Mortgage-backed Securities, certain Asset-Backed securities, Municipal securities, and shares of Money Market Mutual Funds. Investment Managers are permitted to buy 144A securities.

It is the responsibility of the Investment Manager(s) to maintain compliance with all aspects of this policy on a daily basis. Citizens will independently verify compliance periodically, and it is therefore required that all Investment Managers supply Citizens with whatever data is needed to perform such verification in a timely manner. However, Citizens' compliance checks do not relieve the Investment Managers of their responsibility to perform such checks on a daily basis.

Citizens will measure the performance of the Portfolio from various perspectives: (i) the Portfolio will be measured regularly for compliance with the Investment Guidelines below and the Investment Objectives above; (ii) the Portfolio's performance will be analyzed for return performance by comparing the various Investment Managers' Claims-Paying Long Duration Funds (Taxable) performance to each other on a regular basis; (iii) the Portfolio's performance, and each Investment Manager's share thereof, will be compared to investment benchmarks – or a blend of investment benchmarks – on a monthly basis which Citizens will establish and will communicate to managers periodically. The purpose of using any investment benchmark as performance measurement tools is not to guide investment selection – the Investment Managers' professional judgment, operating within the specific Investment Guidelines below, is meant to be the determinant of investment selection. Rather, Citizens will use any investment benchmark to measure the Portfolio's overall performance and as one measure of the relative performance of the Investment Managers. The Investment Managers must provide reports to Citizens on a monthly basis, or more frequently as requested by Citizens, that enable Citizens to understand specifically how the Portfolio is being invested so this performance analysis can be done.

PORTFOLIO MANAGEMENT AND IMPLEMENTATION

Any investment recommendation, approval or decision under this Guideline made by Citizens or its Investment Manager (an "Investment Action") must be made only in accordance with the following:

- (i) any Investment Action must be based solely on pecuniary factors and may not subordinate the interests of the participants and beneficiaries of the applicable fund to other objectives, including sacrificing investment return or undertaking

- additional investment risk to promote any nonpecuniary factor;
- (ii) the weight given to any pecuniary factor in any Investment Action must appropriately reflect a prudent assessment of its impact on risk and returns; and
- (iii) any Investment Action must be consistent with the fiduciary standard of care required by Section 215.47, Fla. Stat

As defined by law, a “pecuniary factor” is a factor that Citizens, or its Investment Manager, expects to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objective. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

INVESTMENT GUIDELINES

Credit Quality

At the time of purchase, all securities must be rated in accordance with the following.

- (1) Securities with long-term investment ratings must be rated from at least two of Moody’s, S&P, and/or Fitch with minimum ratings of BBB-/Baa3;
- (2) Securities with short-term investment ratings must be rated from at least two of Moody’s, S&P, and/or Fitch, and must have minimum ratings of P-1 by Moody’s; A-1 by S&P; and/or F1 by Fitch;
- (3) Money Market Funds must be rated Aaa by Moody’s, AAA_m by S&P **and/or** AAA_{mmf} by Fitch;
- (4) Banker’s Acceptances (BAs) and Certificates of Deposit (CDs) can be issued by any domestic or foreign bank with minimum capital of \$100 million and the bank must have minimum ratings of P-1 by Moody’s or A-1 by S&P.
- (5) Asset-backed securities of single issuing trust or master trust for prime automobile, equipment loan and lease receivables, floorplans, handset devices, and credit card receivables must be rated from at least one of Moody’s, S&P, and/or Fitch and must have long-term ratings of Aaa by Moody’s, AAA by S&P, and/or AAA by Fitch. At original issuance, deal size must be at least \$250 million, and tranche size must be at least \$50 million for each security.
- (6) Collateralized Loan Obligations (CLOs) from Broadly Syndicated Markets, Non-Agency Residential Mortgage-Backed Securities (RMBS) and Commercial Mortgage-Backed Securities (CMBS), including Single Asset Single Borrower (SASB), must be rated from at least one of Moody’s, S&P, or Fitch and must have long-term ratings of Aaa by Moody’s, AAA by S&P, or AAA by Fitch. At original issuance, deal size must be at least \$250 million, and tranche size must be at least \$50 million for each security.
- (7) If the issue or security has no ratings, the ratings of the underlying program or issuer can be used as long as the program or issuer with allowable ratings provides an explicit and unconditional guarantee for the security in the Portfolio.

If anything occurs which causes an investment in the Portfolio to be downgraded by one notch

to BBB+ or falls outside the standards described above, the applicable Investment Manager must notify Citizens' CFO or the CFO's designee in writing via e-mail within one business day of the occurrence of such event. The Investment Manager must also prepare a written plan of action for the affected security and present it to the CFO, or the CFO's designee, within five business days of an event or a negative watch that falls outside the standards. In general, any such affected security outside the standards should be liquidated in a timely fashion as market conditions warrant, and the manager should provide a written recommendation to the CFO or the CFO designee; however, immediate sale in a temporarily depressed market is not mandated by this policy.

Diversification

It is Citizens' intent to maintain a properly diversified portfolio in order to reduce its risk from changes in the market for various classes of securities and to protect against changes in the financial health of any issuer of securities purchased by or on behalf of Citizens. Each individual Investment Manager should treat its portfolio as a stand-alone entity for purposes of compliance with the diversification restrictions of this policy. With that in mind, the following diversification restrictions apply:

- Treasury and Agency securities, Treasury and Agency Money Market Funds, Agency Mortgage-Backed Securities (MBS), Agency Commercial Mortgage-Backed Securities (CMBS), Agency Collateralized Mortgage Obligations (CMO) and Notes whose principal and interest payments are fully insured by the FDIC and Treasury and Agency Collateralized Repurchase Agreements must in total be at least 25% of the Portfolio.
- Corporate securities, Commercial Paper, Banker's Acceptances (BAs) and Certificates of Deposit (CDs), Municipal Securities, and corporate Money Market Funds in total cannot comprise more than 75% of the Portfolio.
- No more than 30% of the Portfolio shall be in a single industry sector. Treasury and Agency securities or Treasury Money Market Funds are not considered to be part of an industry for these purposes. The Bloomberg BCLASS Indices Global Sector Classification will be used to verify the sector limit.
- No more than 15% of the Portfolio shall be invested in Agency MBS, CMBS or CMO.
- No more than 15% of the Portfolio shall be invested in 144A securities.
- Securities of a single issuer (excluding Treasury and Agency securities) shall not represent more than 3% of the Portfolio.
- Securities that have a rating(s) from Moody's, S&P, and/or Fitch of either BBB- or Baa3 shall not represent more than 7.5% of the Portfolio with the securities of a single issuer representing no more than 1.0% of the Portfolio.
- Securities of any individual Agency, including MBS, CMBS or CMO, should not represent more than 20% of the Portfolio.
- Investments in an individual Prime Money Market Fund (excluding Treasury and Agency Money Market Funds) shall be limited to a lesser of \$200 million or 4% of that

individual Money Market Fund's total assets.

- Floating Rate Notes collateralized by Certificate of Deposits and issued through the Yankee CD program will be considered Corporate Floating Rate Notes.
- Municipal Securities shall not represent more than 30% of the Portfolio.
- Repurchase Agreements shall not represent more than 15% of the Portfolio's amortized cost and should be collateralized as described in Appendix A.
- Banker's Acceptances (BA) and Certificates of Deposits (CDs) shall not collectively represent more than 10% of the Portfolio.
- Structured products including agency and non-agency mortgage-backed securities, CLOs, and asset-backed securities for prime automobile, floorplans, handset devices, equipment loan and lease receivables, and credit card receivables shall not represent more than 15% of the Portfolio with the securities of a single issuer representing no more than 1.0% of the Portfolio.
- Exposure to banks providing LOC or liquidity support for the underlying securities in Portfolio should be diversified as well. No bank shall provide such support for underlying securities representing more than 10% of the Portfolio.
- No more than 30% of the Portfolio shall consist of securities, excluding securities where weighted average life is used, with a final maturity between 12 and 15 years.
- No more than 15% of the Portfolio shall consist of securities, excluding securities where weighted average life is used, with a final maturity between 15 and 20 years and one month.

Duration

It is Citizens' intent under this policy to have a portfolio that can provide ready liquidity at a price approximating amortized cost. Each individual Investment Manager should treat its portfolio as a stand-alone entity for purposes of compliance with the duration restrictions of this policy. With that in mind, the following duration restrictions apply:

- The maximum permitted final maturity for any security, except for securities where the weighted average life is used, in the Portfolio is 20 years and one month.
 - For purposes of this calculation, the final maturity of any variable or floating rate obligation (collectively, "VROs") with a Demand Feature (a feature permitting the holder of a security to sell such security within 3 years at an exercise price equal to the approximate amortized cost of the security at the time of exercise, where such feature is supported by a letter of credit ("LOC") or other liquidity facility from a bank rated as described above) shall be deemed to be the shortest of the time remaining until the Demand Feature could be exercised or the expiration date of the LOC or liquidity facility that supports such VROs. Any such LOC or liquidity facility must be renewed at least 45 days prior to its expiration to be deemed in effect for purposes of this policy. For VROs without a Demand Feature, the final maturity for purposes of this section is the stated legal maturity.
- The dollar weighted average maturity of the Portfolio shall not exceed 120 months, or

ten years, calculated using the interest rate reset period for any VROs without a Demand Feature, and for VROs with a Demand Feature using the longer of the interest rate reset period or the time remaining until the Demand Feature could be exercised.

- Banker's Acceptances and Certificates of Deposit must have a maximum maturity of less than 397 days.
- Repurchase Agreements must have a maximum maturity of 30 days or less.
- If a fixed rate security has mandatory put option, then the mandatory put date will be used as a final maturity date.

If a variable rate security has mandatory put option, then the mandatory put date will be used as a final maturity date if the issuer has underlying ratings by at least two of Moody's, S&P and/or Fitch, with minimum ratings of A2 from Moody's, A from S&P and/or A from Fitch.

- Asset-backed, agency and non-agency mortgage-backed securities, CMBS, and CLOs shall use the weighted average life as the final maturity date with a maximum weighted average life of 10 years.

STRESS TESTING

Upon request by Citizens, the Investment Managers will stress-test the portfolio in order to gauge the ability of the Portfolio to withstand interest rate shifts, credit shocks, and other market changes. Citizens' will provide the stress test conditions with its request prior to the stress test date.

OTHER RESTRICTIONS

- Auction Rate Securities are not permitted.
- Commercial Paper Notes issued under Section 4(2) of the Securities Act of 1933 are not permitted.
- Qualified Public Depositories are not permitted.
- Derivatives are not permitted.
- Subordinate obligations, regardless of ratings, are not permitted.
- Middle market CLOs are not permitted.
- Repurchase Agreements (unless collateralized as described in Appendix A), Reverse Repurchase Agreements and Securities Lending are not permitted.
- Citizens' investment policies follow the guidelines under Sections 215.471, 215.4725 and 215.473. Investment managers are prohibited from acquiring or retaining any obligation, security or other investment that is in violation of these sections.
- All securities must be dollar-denominated and regulated by United States securities laws.
- All securities not explicitly listed as permitted investments are hereby deemed to be prohibited under this policy unless written permission is received from the CFO /or the CFO's designee of Citizens.

Appendix A-Definitions of Types of Permitted Securities

CORPORATE DEBT SECURITIES

Corporate Debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Citizens may also purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial Paper is an issuer's obligation with a maturity of less than 9 or 12 months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Citizens' treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

BANK INSTRUMENTS

Bank instruments are unsecured interest-bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, Time Deposits, Certificates of Deposit and Banker's Acceptances. Yankee instruments are denominated in US dollars and issued by non-US branches or foreign banks.

Neither Citizens nor its Investment Managers will invest in instruments of domestic or foreign banks and savings and loans unless they have capital, surplus and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund of the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation either directly or as part of CDARS (Certificate of Deposit Account Registry Service) program.

These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Eurodollar Time Deposits.

FLOATING RATE NOTES

Floating rate Notes are Variable rate bonds with an interest rate that is periodically reset, usually every three months, and that carry a fixed spread, usually over the three-month London Interbank Offered Rate (LIBOR).

U.S. TREASURY SECURITIES

US Treasury securities are direct obligations of the federal government of the United States.

AGENCY SECURITIES

Agency securities are issued or guaranteed by a federal agency or other Government-Sponsored Entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans, or other benefits. For example, the US Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Notes issued through the US Government Temporary Liquidity Guarantee Program, whose interest and principal payments are fully and unconditionally guaranteed by the FDIC will be considered Agency Notes.

AGENCY MORTGAGE-BACKED SECURITIES

Mortgage pass-through securities are issued by Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHMLC) and Federal National Mortgage Association (FNMA). The pass-through securities represent a direct ownership interest in a pool of mortgage loans.

An issuer of a pass-through or participation certificate (PC) collects monthly payments from the borrowers whose loans are in a given pool and "passes through" the cash flow to investors in monthly payments, less any servicing and/or guarantee fees. Most pass-throughs are backed

by fixed-rate mortgage loans; however, *adjustable-rate mortgage loans (ARMs)* are also pooled to create the securities.

NON-AGENCY MORTGAGEBACKED SECURITIES

Non-Agency mortgage-backed securities are secured by real estate mortgage loans. They are not issued by an Agency but are issued by private lenders and are issued in tranches with a structure similar to Agency backed securities.

COLLATERALIZED LOAN OBLIGATIONS

A collateralized loan obligation (CLO) is a security backed by a pool of debt. They are backed by corporate loans or loans taken out by private equity firms to conduct leveraged buyouts.

ASSET-BACKED SECURITIES

An asset-backed security is a financial security backed by a loan, lease, credit card, or receivables against assets other than real estate and mortgage-backed securities.

MUNICIPAL SECURITIES

Municipal securities are issued by states, counties, cities, and other political subdivisions and authorities. Both taxable and tax-exempt municipal securities are allowable investments.

FOREIGN SECURITIES

Foreign securities are US dollar-denominated securities of issuers based outside the United States. Citizens considers the issuer to be based outside the United States if: it is organized under the laws of, or has a principal office located in, another country; or it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue, or profit from goods produced, services performed, or sales made in another country.

MONEY MARKET MUTUAL FUNDS

Money Market mutual funds are registered investment companies that comply with rule 2a7 of the Investment Company Act of 1940.

REPURCHASE AGREEMENTS (REPOs)

Repurchase Agreements are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back at an agreed upon price the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo.

Repurchase Agreements are permitted for use by Citizens when transacted with any registered broker/dealer or any domestic commercial bank whose unsecured long-term debt obligations are rated at least "A2" by Moody's and "A" by S &P without regard to gradation. In addition, (a) a specific written repurchase agreement must govern the transaction, (b) the securities must be held free and clear of any lien, by the Indenture Trustee or an independent third party acting solely as agent for the Indenture Trustee, and (c) such party must be a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$100 million, and the Indenture Trustee must have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Indenture Trustee.

Any Repurchase Agreement must be collateralized at least 102% with U.S. Government or Agency securities, excluding Mortgage-Backed Securities. All Repurchase Agreements must be marked-to-market daily.

APPENDIX C – ADDENDUM REGARDING ASSIGNMENT

This is an Addendum to that certain Investment Manager Agreement ("Agreement" or "Contract") entered into as of _____, 20__, by and between Citizens Property Insurance Corporation ("Citizens"), a government entity created under Section 627.351(6), Florida Statutes, and _____ "Investment Manager"; and the "Service Provider" identified below.

1. All terms defined in the Agreement shall have the same meaning when used herein unless the context otherwise requires. Except as provided in this Addendum, the terms of the Agreement remain in full force and effect.
2. Investment Manager hereby requests, and Citizens hereby approves, subject to the terms hereof and of the Agreement, assignment of the duties set forth below to the entity set forth below ("Service Provider"), which shall be treated as a Subcontractor of such services for purposes of the Agreement. Investment Manager shall remain secondarily liable for the performance and conduct of Service Provider under the Agreement. Citizens shall not pay any compensation to Service

Provider. Investment Manager shall be as fully responsible, and indemnify and hold harmless Citizens, for the acts and omissions of Service Provider as it is for its own acts and omissions.

3. Name of Service Provider, type of entity, and state of formation:
4. Relationship between Investment Manager and Service Provider:
5. The following duties are being assigned to Service Provider:
6. If applicable, Citizens hereby acknowledges receipt of Service Provider's Investment Adviser Disclosure Statement (Part II of Form ADV), as required by SEC Rule 204-3 (17 CFR 275.204-3) under the Advisers Act, before or at the time of execution of this Addendum.
7. Service Provider hereby agrees:
8. Additional terms and conditions:

Citizens and Vendor certify by their undersigned that they have read this Addendum and agree to be bound by its terms and conditions.

CITIZENS PROPERTY INSURANCE CORPORATION

VENDOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SERVICE PROVIDER

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM 1
PUBLIC RECORDS ADDENDUM ("ADDENDUM")**

Company Name ("Vendor"): Conning, Inc.
Agreement Name/Number ("Agreement"): Agreement for Investment Management Services / 24-24-0002-02
Primary Vendor Contact Name: Sunny Wadhwa
Telephone: 860-299-2248
Email: Sunny.Wadhwa@conning.com

Citizens is subject to Florida public records laws, including Chapter 119, Florida Statutes. As a part of providing public access to Citizens' records, Citizens makes its contracts available on Citizens' external website located at www.citizensfla.com/contracts. This Addendum is incorporated into the Agreement in order to address Citizens' public posting of the Agreement and its disclosure to third parties.

If Vendor asserts that any portion of the Agreement is exempt from disclosure under Florida public records laws, (the "Redacted Information"), such as information that Vendor considers a protected "trade secret"

per Section 815.045, Florida Statutes, then Vendor must select the corresponding declaration below and provide the following to Vendor.ManagementOffice@citizensfla.com:

- (1) A copy of the Agreement in PDF format with the Redacted Information removed (the “Redacted Agreement”); and,
- (2) A dated statement on Vendor’s letterhead in PDF format clearly identifying the legal basis for Vendor’s redaction of the Redacted Information (the “Redaction Justification”).

Vendor must select one of the two declarations below. If Vendor does not select one (1) of the two (2) declarations below, or if Vendor fails to provide the Redacted Agreement and Redaction Justification within thirty (30) calendar days of Vendor’s receipt of the fully executed Agreement, then without further notice to Vendor, Citizens may post the non-redacted version of the Agreement on its public website and may release it to any member of the public.

<u>Vendor Declaration:</u>
<input type="checkbox"/> Vendor WILL NOT SUBMIT a Redacted Agreement. Citizens may post Vendor’s full, complete, and non-redacted Agreement on its public website, and may release the Agreement to any member of the public without notice to Vendor.
Or
<input checked="" type="checkbox"/> Vendor asserts that a portion of the Agreement is confidential and/or exempt under Florida Public Records law. Therefore, Vendor WILL SUBMIT a Redacted Agreement and a Redaction Justification within thirty (30) calendar days of receipt of the fully executed Agreement. Citizens may post Vendor’s Redacted Agreement on its public website, or release it to any member of the public, without notice to Vendor. If Citizens receives a public records request for the Agreement, Citizens will provide only the Redacted Agreement and Redacted Justification to the requestor. Vendor acknowledges that, in the event of any legal challenge regarding these redactions, Vendor will be solely responsible for defending its position or seeking a judicial declaration.