

## IMPLEMENTATION AGREEMENT

Dated: November ~~12~~<sup>14</sup>, 2000

Whereas Assicurazioni Generali, S.p.A. ("Generali") is a party to the Memorandum of Understanding, dated August 25, 1998 (the "M.O.U."), providing for the formation and operation of the International Commission on Holocaust Era Insurance Claims ("ICHEIC") and Generali is a member of ICHEIC; and

Whereas the World Jewish Restitution Organization and allied organizations (collectively, the "WJRO") are also parties to the M.O.U. and members of ICHEIC; and

Whereas Generali has paid claims under the ICHEIC process or in settlement of litigated claims and has contributed funds to cover a portion of ICHEIC expenses and has incurred substantial costs and expenses in connection with its participation in ICHEIC and in various litigations relating to Holocaust-era insurance claims; and

Whereas Generali is willing to provide to ICHEIC an additional US \$ 100 million (U.S. one hundred million dollars) in order to provide for all claimed or unclaimed insurance policies issued by Generali to Holocaust victims (as defined by

ICHEIC), including claims brought by insureds, their beneficiaries, heirs, or other persons who claim some entitlement under such policies; and

Whereas Generali wishes to be assured to the extent legally possible that it will have to make no further payment to ICHEIC or in respect of Holocaust-era insurance claims beyond amounts already paid or which it has agreed to pay herein, and

Whereas on July 26, 2000, certain parties to this Implementation Agreement (the "Agreement") signed a Memorandum of Understanding which provided that the understandings of such parties would be embodied in an Implementation Agreement; and

Whereas since that time the parties continued their negotiations to reflect such understandings in this Implementation Agreement; and

Whereas the Chairman of ICHEIC is hereby empowered to appoint in consultation with Generali and the WJRO an implementing organization (hereinafter, the "IO") responsible for, among other matters, evaluating, approving and paying Generali Claims (as hereinafter defined) in place and stead of Generali; and

Whereas Generali has voluntarily established in Israel the Generali Fund in Memory of the Generali Insured in Central and East Europe Who Perished in the Holocaust, pursuant to a Deed of Trust, dated October 30, 1997, as amended

(hereinafter, the "Trust"), to pay claims arising out of insurance policies issued by Generali to victims of the Holocaust and to provide humanitarian relief to needy Holocaust survivors as provided in the Deed of Trust, and has committed US \$12 million for payments by such Trust plus additional amounts annually to apply toward the Trust's operating expenses (such commitments being independent of and in addition to the \$100 million committed hereunder); and

Whereas to the extent such Trust (after such modifications as may be appropriate) is found suitable by ICHEIC, it may consider appointing the Trust as IO hereunder; and

Whereas the parties sign this Agreement intending to agree to cooperate as provided herein to assist Generali in achieving its aforesaid objective and to work together to prepare and execute such further agreements and take such further steps as may be necessary to implement these understandings.

Now, therefore, the parties hereto agree as follows:

1. Generali hereby reaffirms its prior authorization allowing ICHEIC freely to publish (through such means as ICHEIC may determine) the names and related information of Generali policyholders known by Generali or in Generali's possession determined to have been possible victims of the Holocaust and Generali's commitment to provide ICHEIC and the IO access to all data in Generali's possession to enable such publication and to policy records and archives pertaining to

claims under consideration by the IO as may be necessary for the IO to evaluate such claims.

2. On or before five days after the later of (a) the execution of this Agreement or (b) the establishment of the account referred to in the next sentence, Generali shall deposit (i) US \$ 100 million (the "Generali Payment") plus (ii) earnings on such amount from July 1, 2000 to the date of the deposit of the Generali Payment (the "Initial Earnings") in such account at a bank or financial institution mutually acceptable to ICHEIC and Generali and subject to investment arrangements agreed upon between ICHEIC and Generali. Such account shall be established by Generali, shall be located outside of the United States, and shall be entitled "The Generali Claims Settlement Account" (the "GCSA"). Authority in respect of the GCSA shall initially be vested only in Generali. Upon the appointment of an IO, as provided for in paragraph 3 hereof, Generali shall cause authority over the GCSA to be transferred to the Chairman of ICHEIC, currently the Hon. Lawrence S. Eagleburger. Thereupon, payments, transfers, or disbursements from the GCSA shall require written instructions to the bank or financial institution signed by the Chairman of ICHEIC, provided, however, that this requirement shall not apply to the automatic withdrawal by ICHEIC of a portion of the earnings earned by the Generali Payment in the GCSA, as contemplated in the last sentence of paragraph 4. The bank or financial institution shall agree to operate the GCSA in accordance

with the foregoing. The Generali Payment will be used only for the payment of Generali insurance claims (hereinafter the "Generali Claims"), which includes claims on policies for which Generali has agreed to make payments under the M.O.U., for reimbursements to Generali as contemplated herein in paragraph 5(d), and for other humanitarian purposes. The Generali Payment, the Initial Earnings, and any earnings thereon in the GCSA shall become available for the purposes contemplated in this Agreement only upon Generali obtaining the commitment of the U.S. government that it will submit an affidavit, statement or other writing that it is the position of the U.S. government that Holocaust-era restitution should be by cooperative action, rather than by litigation, and that ICHEIC should be recognized as the exclusive remedy for resolving all insurance claims that relate to the Holocaust era, such writing to be used in all pending or future litigations or administrative proceedings in the United States against Generali as described in paragraph 8 hereof. If the U.S. government shall have refused to provide such commitment or if such commitment shall not have been obtained at the latest by March 1, 2001, the Generali Payment, the Initial Earnings, and any earnings thereon in the GCSA shall promptly be returned to Generali and this Agreement shall be of no further force and effect.

3. ICHEIC shall, upon consultation with the WJRO and Generali, appoint the IO and such appointment may be revoked by ICHEIC at any time but only with the consent of Generali. The IO so appointed shall agree to be bound by all the obligations and commitments contemplated to be borne by the IO hereunder.

Authority over the GCSA shall not be vested in ICHEIC unless an IO has been appointed hereunder. The parties agree, however, that in connection with the appointment of an IO hereunder, Generali, the WJRO, and ICHEIC may agree to alter the provisions herein (a) concerning exercise of authority over the GCSA, and (b) regarding the disposition of earnings on any remaining balance on the Generali Payment in the GCSA on or after April 1, 2005. Payment of Generali Claims and other ICHEIC/IO Commitments (as defined below) by the IO shall be made solely from the Generali Payment then available in the GCSA. There shall be no more than one IO appointed at any one time to handle Generali Claims and to assume the ICHEIC/IO Commitments. Pending the Generali Payment, the Initial Earnings, and any earnings thereon becoming available for the purposes contemplated under this Agreement and the appointment of an IO hereunder, Generali shall continue to make payments, or cause payments to be made, for Generali Claims and shall be reimbursed therefor, to the extent contemplated in paragraph 5(d) hereof. As elsewhere herein provided, all moneys remaining in the GCSA upon the payment of Generali Claims shall be used for other humanitarian purposes, as determined by ICHEIC.

4. Out of earnings on the Generali Payment, the IO shall be provided an amount agreed-upon between ICHEIC and the IO sufficient to cover those approved and documented IO administrative expenses in excess of any amount paid by Generali to the IO for administrative expenses. The Chairman of ICHEIC and the Chairman of the IO will determine the amount of the payment out of such

earnings to the IO and may change such amount as they deem appropriate. It is understood and agreed that all expenses incurred by Generali in (i) providing ICHEIC or the IO access to policy records and archives pertaining to claims under consideration by the IO, (ii) assisting the IO in the evaluation and research of claims, or (iii) cooperating with ICHEIC or the IO in the objectives contemplated herein shall be an expense of Generali. The parties agree that beginning on the date that the Generali Payment becomes available for the purposes contemplated under this Agreement, as provided in paragraph 2, the GCSA will provide for the withdrawal by ICHEIC of the Initial Earnings and for automatic withdrawals by ICHEIC on a monthly (or other periodic) basis of earnings on the Generali Payment, net of the previously approved payments to the IO out of such earnings.

5. (a) Beginning on the date that the Generali Payment becomes available for the purposes contemplated under this Agreement, as provided in paragraph 2, the ICHEIC and/or the IO (upon such IO being appointed) will assume the following commitments: payment of all Generali's commitments under this M.O.U. for Holocaust-era insurance policies in accordance with ICHEIC standards and decisions excluding the commitments of Generali subsidiaries under the German Foundation Initiative and the Dutch Sjoa Foundation, but including, without limitation, payments of Generali Claims, all other humanitarian payments contemplated by the M.O.U. or by agreements entered thereunder, and, subject to paragraph 5(d) hereof, reimbursements to Generali for payments to claimants made

by Generali after July 1, 2000 with respect to Generali Claims and any judgments and settlements resulting from any litigation or administrative proceeding against Generali in respect of Holocaust-era insurance policies or related claims as further described in paragraph 5(d)(collectively defined as the "ICHEIC/IO Commitments"). Any reimbursements then due to Generali pursuant to the previous sentence shall be promptly paid to Generali by ICHEIC (in the event an IO has then been appointed) or withdrawn by Generali from the GCSA (in the event no IO has then been appointed), subject in each case to the provision by Generali to ICHEIC of appropriate documentation that such reimbursements are properly due.

(b) The parties agree that after the Generali Payment has become available for the purposes contemplated under this Agreement, as provided in Paragraph 2, and an IO has been appointed hereunder (i) ICHEIC shall have the right to use the US \$ 5 million payment by Generali to the Bermuda trust (plus any earnings thereon), the Initial Earnings, and the earnings of the Generali Payment (reduced by any payments to the IO described in paragraph 4) to pay Generali's obligation to pay its share of ICHEIC administrative expenses, and (ii) Generali will have no further obligation for payments to ICHEIC for administrative expenses or otherwise.

(c) Any portion of the Generali Payment which may be used for humanitarian purposes will be retained by ICHEIC. ICHEIC shall have the right to determine, under its established procedures and guidelines, the uses of the



humanitarian funds. ICHEIC may make humanitarian payments up to an aggregate of US\$ 15 million without the express consent of Generali. In the event the moneys in the GCSA become available for purposes contemplated in this Agreement (as provided in paragraph 2) before the appointment of an IO, ICHEIC may request that Generali release from the GCSA funds up to the amount referred to, and for the purposes set out in, the previous sentence. Humanitarian payments in excess of such amount may be made six months after the deadline for filing ICHEIC claims (as established by ICHEIC) has expired, provided ICHEIC, after consultation with the IO, and Generali have determined that all claims under Holocaust-era insurance policies have been fully paid (based on ICHEIC valuation standards) or that ICHEIC and/or the IO have assets sufficient to meet all such claims. It is Generali's intention to view such humanitarian payments favorably and freely to consent thereto, provided Generali is satisfied that all such claims against Generali have been fully paid or provided for.

(d) Beginning on the date that the Generali Payment becomes available for the purposes contemplated under this Agreement, Generali will be reimbursed only out of the balance of the Generali Payment (whether in the GCSA or in the possession of the IO) and out of any other funds contributed by Generali into the IO, for any payments made or caused to be made by Generali after July 1, 2000 with respect to Generali Claims and any judgments and settlements resulting from any litigation or administrative proceeding against Generali in respect

of Holocaust-era insurance policies or related claims. Neither ICHEIC nor the IO will become a party or become otherwise involved in such litigation or proceedings. However, ICHEIC and the IO shall remain free, at their expense, to appear as objectors, interveners, *amici* or otherwise. Generali will continue to be responsible for all costs of defending such litigation and will continue to have sole control and discretion regarding the conduct, settlement or other disposition of such matters.

Generali agrees not to enter into a settlement of litigation that would be reimbursable hereunder without prior approval from ICHEIC, which approval shall not be unreasonably withheld. Annex 1 hereto lists (a) the payments made by, or caused to be made by, Generali since July 1, 2000 that are in Generali's judgment reimbursable hereunder, and (b) pending legal actions against Generali involving Holocaust era insurance policies or related claims and administrative proceedings which, in Generali's judgment, may result in reimbursable amounts hereunder. Generali represents that it has made no settlements of litigation or offers of settlement of litigation that would be reimbursable hereunder before the date of this Agreement.

Generali shall advise ICHEIC within 60 days of its being served with legal process of the institution of any additional legal actions against Generali involving Holocaust-era policies or related claims and administrative proceedings which, in Generali's judgment, may result in reimbursable amounts hereunder. It is understood that Generali shall not be reimbursed (in excess of ICHEIC valuation of claims asserted in such litigations) for litigations pending on the date of this Agreement that

are not disclosed in Annex 1 or for future litigations not timely disclosed as provided in the previous sentence.

6. ICHEIC will cooperate with Generali and any IO hereunder in their joint efforts to assure the prompt payment of claims. ICHEIC and Generali will refer all Generali Claims to the then-appointed IO. Generali agrees that in the event the Trust is appointed as the IO hereunder, Generali shall recommend to the Trust that after its appointment as IO hereunder and so long as the determination in the fifth sentence of paragraph 5(c) hereof has not been made, the Trust should pay Generali Claims and make humanitarian payments (out of the balance of any funds provided or committed to it by Generali) as provided in its Deed of Trust. At its own expense, Generali will (i) continue to participate in ICHEIC and (ii) assist ICHEIC and the IO to facilitate the investigation, processing and payment of claims. At its own expense, Generali will provide ICHEIC and the IO appointed hereunder such access to policy records and archives pertaining to claims under consideration by the IO as may be necessary for the IO to evaluate such claims. In all publications or payments issued by the IO, the IO will state, in substance, that it is operating under ICHEIC standards, which shall include such appeals process as may be appropriate for such IO, as determined by ICHEIC. The IO will publish at least quarterly reports of payments and practices with respect to the Generali Claims and IO expenses. ICHEIC shall have the right to have an audit conducted in accordance with the applicable ICHEIC audit standard.

7. The parties hereto agree that Generali's commitments for claims payments and other humanitarian payments are fully satisfied as provided for in this Agreement and that the proper forum for the resolution of Generali Claims and other humanitarian claims is the ICHEIC process. In support of that objective, the ICHEIC will assist Generali in bringing to the attention of any court or regulatory agency in which Holocaust era claims against Generali may be brought the position that ICHEIC is the proper forum for the resolution of such claims and in seeking to persuade such court or agency to reject any claims or demands with respect to Holocaust-era insurance policies in favor of resolution of such claims by ICHEIC in accordance with the ICHEIC standards. It is understood in this connection that the World Jewish Restitution Organization (and Allied Organizations) shall not be required to appear in such proceedings or to testify against claimants, provided however that they shall not take in a court, administrative proceeding or elsewhere, directly or indirectly, a position inconsistent with the understandings herein (including those set forth in the first sentence of this paragraph 7).

8. ICHEIC will use its good offices and best efforts to obtain the commitment of the U.S. government that it will submit a statement, affidavit, or other writing in all pending or future litigations or administrative proceedings in the United States against Generali involving claims under Holocaust-era insurance policies or related matters. Such writing shall declare, in substance, that it is the policy of the United States that all such claims or matters should be disposed of

