71 South Wacker Drive
Chicago, IL 60606 USA

Notice to Employees and Eligible Employees of Hyatt Corporation (“Hyatt”) and Its Affiliates (“Affiliates”) of Tentative Authorization under Prohibited Transaction Exemption 96-62

You are hereby notified that Hyatt, on behalf of its Affiliates, and its wholly owned affiliate captive insurance company Xenia Assurance Company (“Xenia”) have applied to the U.S. Department of Labor (“DOL”) seeking tentative authorization, pursuant to Prohibited Transaction Exemption 96-62 (PTE 96-62), 61 FR 39988, July 31, 1996, as amended by 67 FR 44622, July 3, 2002, to engage in the reinsurance transactions described below. The transactions involve the reinsurance of risks and the receipt of premiums by Xenia from insurance contracts currently funding Hyatt’s Life, Short-Term Disability (“STD”) and Long- Term Disability (“LTD”) programs.

The authorization under PTE 96-62 is necessary because Xenia is a wholly owned affiliate of Hyatt. Because of the relationship between Hyatt and Xenia such reinsurance would otherwise constitute a prohibited transaction under sections 406(a)(1)(D) and 406(b) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

This notice informs you of the application to the DOL and certain changes to the Life, STD and LTD program benefits, and describes your right to comment to the DOL about these changes.

Tentative Authorization

The proposed transactions described in this Notice has met the requirements for tentative authorization from the DOL under PTE 96-62. If final authorization is granted by the DOL, sections 406(a)(1)(D) and 406(b) of ERISA will not apply for the reinsurance transactions described below, provided the conditions specified in Exhibit A are complied with.

Overview of the Reinsurance Transactions

The Hyatt Corporation Welfare Plan, number 503, is sponsored by Hyatt under which it encompasses Health, Life Insurance, Dental, Vision and Disability. The Plan is insured with Metropolitan Life Company (“MetLife”). Under the transactions, MetLife will insure Plan risks. MetLife will reinsure up to 100% of risks with Xenia. MetLife’s reinsurance agreement with Xenia will be indemnity only, which means that MetLife will not be relieved of its liability to the Plan for Life, LTD and STD benefits if Xenia is unable or unwilling to cover liability arising from the reinsurance arrangement.

The final authorization by the DOL, if granted, will be subject to the conditions described below and set forth in more detail in Exhibit A, which provide certain protections to the Plan. Furthermore, the terms of the reinsurance agreement will not affect your benefits in any way, as it is simply an internal arrangement between Xenia and MetLife. MetLife will insure the benefits provided to you under the Plan, including the benefit improvements.

Parties to the Proposed Reinsurance Transactions

Company

Company: Hyatt Corporation
Headquarters: 71 South Wacker Drive Chicago, IL 60606
Type of Business: Own, manage, franchise and license hotels
Number of Employees: Approximately 45,000
Annual sales: $4.4 billion
Net income: $204 million

Captive

Xenia was formed as a chartered licensed liability insurance company on October 11, 2013 for the purpose of reinsuring Hyatt's property and casualty risks.

Currently, Xenia writes Hyatt's Auto Liability, General Liability, Employment Practices Liability, Crime, Property and Worker Compensation policies. For the fiscal year ending December 31, 2016, Xenia reported earned premiums of $48.4 million and total assets of $150,969,417.

The Plan

The Hyatt Corporation Welfare Plan, number 503, is sponsored by Hyatt under which it encompasses Health, Life Insurance, Dental, Vision, Temporary Disability and Long-Term Disability benefits ("LTD").

This application addresses the use of Hyatt's captive, Xenia, for the Life, LTD and Short-Term Disability ("STD") benefits only. Hyatt doesn't currently have an employer paid STD plan (except statutory plans). The Health, Dental and Vision benefits will not be part of the captive transactions.

The plan is currently insured by MetLife. The official name of the Plan is the Hyatt Corporation Welfare Plan and the Plan number is 503. The federal employer identification number of the Plan Sponsor is 94-1649123.

Changes to the Plan

Hyatt will enhance the benefits under the Plan by adding Employer-Paid STD benefits for all employees.

Currently Hyatt offers voluntary STD paid fully by employees. As a benefits enhancement beginning in 2018, Hyatt has decided to change the STD plan to include a core 50% employer paid STD plan for all employees with an option for employees to buy-up to 66.67%. The expected covered weekly benefit in 2018 for STD is $8.9 million (Core + Buy- up, not including statutory STD). This is a new benefit for employees who have had to buy voluntary coverage or be exposed in the event of disability. Now all employees will receive core STD coverage.

As stated above, the reinsurance agreement will not reduce current Plan benefits in any way. The proposed agreement is simply an internal arrangement between Xenia and MetLife. MetLife will insure the benefits provided under the Plans, including the improved benefits.

Independent Fiduciary

In connection with the submission, Hyatt has retained, at its own expense, Milliman, Inc. ("Milliman"), an international firm of consultants and actuaries with expertise in employee benefits and insurance, to serve as the Independent Fiduciary for the Plan with respect to the proposed transactions. In addition, Milliman is responsible for reviewing the fronting carrier's adequacy and other necessary aspects of the subject authorization.

William J. Thompson, FSA, MAAA, Principal and Consulting Actuary with Milliman has been appointed to undertake the duties of the Independent Fiduciary. Milliman states that it is qualified to serve as the Independent Fiduciary and the personnel who comprise Milliman are experienced in prohibited transaction exemptions issued by the DOL. Milliman represents that it is independent in that it does not have and has not previously had, any relationship with any party in interest (including any affiliates thereof) engaging in the proposed transactions. Further, Milliman represents that the gross income it receives from Hyatt does not exceed 0.0128% of Milliman's gross annual income from all sources.

Hyatt and Milliman have entered into a written agreement whereby Milliman will: (1) represent the interests of the Plan; (2) monitor the transactions herein on behalf of the Plan on a continuing basis to ensure such transactions remain in the interest of the Plan; (3) take all appropriate actions to safeguard the interests of the Plan; and (4) enforce compliance with all conditions and obligations imposed on any party dealing with the Plan. If it becomes necessary in the future to appoint a successor Independent Fiduciary (the Successor) to replace Milliman, Hyatt will notify the Department of Labor sixty (60) days in advance of the appointment of the Successor. Any Successor will have the same, or substantially similar, responsibilities, experience and independence as Milliman. There will be no lapse in time between the resignation or termination of the former Independent Fiduciary and the appointment of the successor Independent Fiduciary.

In connection with its review of the proposed transactions, Milliman, reviewed various documents including, among other things: (1) a draft copy of the submission for the Department of Labor's authorization; (2) a copy of the approval from the Arizona Captive Insurance Division to Xenia to reinsure the life, STD, and LTD benefits of Hyatt; (3) a copy of Hyatt Life and LTD insurance certificates; (4) a draft of the reinsurance agreement between Xenia and MetLife; (5) documentation of pricing of subject coverages, expense charges, and related underwriting information; (6) 2014 and 2015 audited financial statements for Xenia; (7) 2015 and 2016 actuarial opinions for Xenia; and (8) Hyatt's declaration of no commissions being paid with respect to the proposed transactions.

Milliman has analyzed the proposed transactions and rendered an opinion that the requirements summarized above and in Exhibit A have been met. In particular, Milliman has concluded that the changes to the benefits (i.e., the addition of an employer-paid STD benefit to all full-time employees of Hyatt) have met the requirements of subsections (a) through (f) of the requested authorization, attached as Exhibit A.

In Milliman's view, the proposed transactions will be in the interests and protective of Plan participants because all eligible Hyatt employees, regardless of their compensation or position, will receive a STD benefit, at no cost, in the event of a non-occupational illness or injury.

Employees utilizing the benefit will be those who incur a non-occupational injury or illness that requires them to be out of for at least seven days. Such benefits will provide a continuation of 50% of an affected employee's income during the period of disability. Also, Hyatt will incur substantial expense in implementing the benefit enhancement. In this regard, the actual expected annual employer paid STD premium will be $4.9 million. Further, the STD benefit will not affect the premium paid by employees for insurance coverage under the Plan, unless the employee voluntarily decides to expand the proposed 50% of weekly wages (at no cost) coverage to 66.67% of weekly wages. Also, current life and long-term disability insurance programs that are 100% paid by Hyatt and cover all employees will change as a result of this authorization. Finally, Milliman represents that Plan participants will be in a better position than they were prior to the implementation of the benefit enhancement.

Milliman will represent the interests of the Plan, as the Independent Fiduciary, at all times, with respect to the proposed transactions. Milliman will monitor compliance by the parties with the terms and conditions of the proposed transactions, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to ensure that the proposed transactions remain in the interest of the Plan and its participants and beneficiaries.

In addition, the authorization requires that Milliman review all contracts (and any renewal of such contracts) of the reinsurance of risks and the receipt of premiums therefrom by Xenia and determine that the requirements of this authorization, and the terms of the increased benefits continue to be satisfied.

<u>Conditions for Authorization</u>

The following is a list of the principal conditions that would be imposed by the DOL authorization (a full version of the proposed exemption is attached as Exhibit A):

(a) Xenia:

  (1) Is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with Hyatt that is described in Section 3(14)(E) or (G) of ERISA;

  (2) Is licensed to sell insurance or conduct reinsurance operations in the state of Arizona;

  (3) Has obtained a Certificate of Authority from the Arizona Department of Financial Regulation, which has neither been revoked nor suspended;

  (4) Has undergone an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transactions covered by this authorization; or has undergone a financial examination by the Arizona Department of Financial Regulation within five years prior to the end of the year preceding the year in which such reinsurance transactions have occurred; and

  (5) Is licensed to conduct reinsurance transactions by the State of Arizona, whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority.

(b) The Plan will pay no more than adequate consideration for the insurance contracts.

(c) No commissions will be paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof.

(d) In the initial year of every reinsurance contract involving Xenia and MetLife or its successor, there is an immediate and objectively-determined benefit to participants and beneficiaries of the Plan in the form of increased benefits through an employer-paid, short-term disability plan, wherein Hyatt Corporation (Hyatt), the Plan sponsor, provides as benefits under the Plan 50% of a full-time Hyatt employee's or a full-time Hyatt affiliate employee's weekly wages at no employee cost, with an option for the employee to buy-up to 66.67% of such employee's weekly wages, provided the benefits continue in all subsequent years of each such contract of reinsurance and in every renewal of each such contract, and the benefits at least approximate the increase in benefits effective in the initial year.

(e) In the initial year and in subsequent years of coverage provided by MetLife or its successor, the formula used by MetLife or its successor to calculate premiums will be similar to formulae used by other insurers providing comparable coverage under similar programs. Furthermore, the premium charge calculated in accordance with the formula will be reasonable and will be comparable to the premium charged by MetLife or its successor and its competitors with the same or a better rating providing the same coverage under comparable programs.

(f) MetLife or its successor will have a financial strength rating of ``A'' or better from A. M. Best Company. The reinsurance arrangement between MetLife or its successor and Xenia will be indemnity insurance only, (i.e., MetLife will not be relieved of liability to the Plan should Xenia be unable or unwilling to cover any liability arising from the reinsurance arrangement).

(g) The Plan retains an independent, qualified fiduciary (the Independent Fiduciary), Milliman or its successor, to analyze the transactions and to render an opinion that the requirements of (a) through (f) and (h) here have been satisfied. If a successor Independent Fiduciary is appointed, there will be no lapse between the resignation or termination of the former Independent Fiduciary and the appointment of the successor. The Independent Fiduciary is not Hyatt or Xenia, or an affiliate of either entity; and:

(1) Does not have an ownership interest in Hyatt, Xenia, or in an affiliate of either;

(2) Is not a fiduciary with respect to the Plan prior to its appointment to serve as the Independent Fiduciary;

(3) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which it has an interest that might affect its best judgment as a fiduciary;

(4) Has appropriate training, experience, and facilities to act on behalf of the Plan regarding the subject transactions in accordance with the fiduciary duties and responsibilities prescribed by ERISA. No organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) for that fiscal year exceeds two percent (2%) of that organization's or individual's annual gross income from all sources for the prior fiscal year from Hyatt or Xenia, or from an affiliate of either (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department). In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization

or individual is an officer, director, or 10 percent (10%) or more partner or shareholder, may acquire any property from, sell any property to, or borrow any funds from Hyatt or Xenia, or from any affiliate of either during the period that such organization or individual serves as an Independent Fiduciary, and continuing for a period of six (6) months after such organization or individual ceases to be the Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as the Independent Fiduciary.

(h) Participants and beneficiaries in the Plan will receive in subsequent years of every contract of reinsurance involving Xenia and MetLife or its successor no less than the immediate and objectively determined increased benefits such participants and beneficiaries received in the initial year of each such contract involving Xenia and MetLife.

(i) The Independent Fiduciary will: Monitor the transactions described herein on behalf of the Plan on a continuing basis to ensure such transactions remain in the interest of the Plan; take all appropriate actions to safeguard the interests of the Plan; and enforce compliance with all conditions of this exemption and all conditions and obligations imposed on any party dealing with the Plan.

(j) In connection with the provision to participants in the Plan of the insurance coverage provided by MetLife or its successor, which is reinsured by Xenia, the Independent Fiduciary will review all contracts (and any renewal of such contracts) of the reinsurance of risks and the receipt of premiums therefrom by Xenia and must determine that the requirements of this exemption, and the terms of the increased benefits continue to be satisfied.

<u>Substantially-Similar Approved Transactions</u>

In general, under PTE 96-62, an applicant must identify two substantially similar individual exemptions granted by the Department within the past 60 months, or one individual exemption granted by the Department within the past 120 months and one transaction that has received Final Authorization pursuant to PTE 96-62 within the past 60 months (each an “Authorized Transaction”). The following granted individual exemptions (together, the “Approved Transactions”) satisfy this requirement:

- PTE 2014-03 (Intel Corporation, 79 FR 11760, April 10, 2014)
- PTE 2013-06 (The Coca Cola Company and Red Re, Inc., 78 FR 19323, March 29, 2013).

1. PTE 2014-03 (Intel Corporation 79 FR 11760, April 10, 2014).

    a. The transactions are substantially similar because, as in the proposed Reinsurance Transactions here:

        i. The transactions involved the reinsurance of risk and receipt of premiums connected with the plan by a captive insurer (TAL) that was an affiliate of the plan sponsor (Intel);

        ii. The plans provided group insurance benefits;

        iii. The fronting insurance carrier (MN Life) was AM Best “A” rated and is an unrelated fronting insurer;

        iv. The captive was licensed by, regulated by, and in good standing with a state insurance regulator (Hawaii);

v. The captive had been audited by an independent public accountant in the prior year or had undergone a financial examination by the division of insurance (HIDOI);

vi. The plan paid no more than adequate consideration for the insurance contracts;

vii. No commissions were paid by the plan with respect to the direct sale of such contracts or the reinsurance thereof;

viii. The transactions provided an immediate and objectively determined benefit to the participants and beneficiaries in the form of increased benefits, including will services, some legacy services, financial counseling services and a significant financial impact to the employer; and

ix. The transactions were overseen by an Independent Fiduciary with the authority to review and approve the transactions, and to monitor the arrangement for compliance with the conditions of the exemption and to ensure the transactions remained in the interest of the plans.

b. The differences between the proposed Reinsurance Transactions and the Intel exemption are not material because:

i. While different states regulate the captive, the regulatory requirements are not materially different;

ii. While different fronting insurers are used, their solvency and risk profiles are not materially different; While the specific benefits and benefit enhancements may differ slightly, the differences are not material. For example, currently Hyatt offers voluntary STD paid fully by employees. As a benefits enhancement beginning in 2018, Hyatt has decided to change the STD plan to include a core 50% employer paid STD plan for all employees with an option for employees to buy-up to 66.67%. The expected covered weekly benefit in 2018 for STD is $8.9 million (Core + Buy-up, not including statutory STD). This is a new benefit for employees who have had to buy voluntary coverage or be exposed in the event of disability. Now all employees will receive core STD coverage. The value of the package of enhanced benefits is substantial to the participants and a material expense for the plan sponsor. Further, Intel and Coca- Cola (discussed below) provided different types of enhanced benefits. These differences demonstrate that it is the enhanced benefits package as a whole, rather than the specific component parts, that is material. The differences here, therefore, are not material.

2.PTE 2013-06 (The Coca Cola Company and Red Re, Inc., 78 FR 19323, March 29, 2013).

a. This transactions are substantially similar because, as in the proposed Reinsurance Transaction here:

i. The transactions involved the reinsurance of risk and receipt of premiums connected with the plan by a captive insurer (Red Re Inc.) that was an affiliate of the plan sponsor (The Coca Cola Company);

ii. The plans provided group insurance benefits;

iii. The fronting insurance carrier (MetLife) was AM Best "A" rated;

iv. The captive was licensed by, regulated by, and in good standing with a state insurance regulator (South Carolina);

v. The captive had been audited by an independent public accountant in the prior year;

vi. The plan paid no more than adequate consideration for the insurance contracts;

vii. No commissions were paid by the plan with respect to the direct sale of such contracts or the reinsurance thereof;

viii. The transactions provided an immediate and objectively determined benefit to the participants and beneficiaries in the form of increased benefits; these include will preparation services, some legacy services and a significant financial impact to the employer;

ix. The transactions were overseen by an Independent Fiduciary with the authority to review and approve the transaction, and to monitor the arrangement for compliance with the conditions of the exemption and to ensure the transactions remained in the interest of the plans.

b) The differences between the Proposed Transactions and the Coca-Cola exemption are not material because:

i. While different states regulate the captive, the regulatory requirements are not materially different;

ii. While the specific benefits and benefit enhancements may differ slightly, the differences are not material. For example, currently Hyatt offers voluntary STD paid fully by employees. As a benefits enhancement beginning in 2018, Hyatt has decided to change the STD plan to include a core 50% employer paid STD plan for all employees with an option for employees to buy-up to 66.67%. The expected covered weekly benefit in 2018 for STD is $8.9 million (Core + Buy-up, not including statutory STD). This is a new benefit for employees who have had to buy voluntary coverage or be exposed in the event of disability. Now all employees will receive core STD coverage. The value of the package of enhanced benefits is substantial to the participants and a material expense for the plan sponsor. Coca-Cola provided different types of enhanced benefits. These differences demonstrate that it is the enhanced benefits package as a whole, rather than the specific component parts, that is material. The differences here, therefore, are not material.

You can find descriptions of these other transactions in the Federal Register as PTE 2014- 03 (Intel Corporation, 79 FR 11760, April 10, 2014) and PTE 2013-06 (The Coca Cola Company and Red Re, Inc., 78 FR 19323, March 29, 2013). To summarize, these are substantially similar to the proposed Reinsurance Transactions described herein. In those cases, each respective employer proposed using its captive insurance company to reinsure employee benefits, and agreed to provide improved benefits, retain an Independent Fiduciary, contract only with insurers with an A rating or better with A.M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. Based on these representations, the DOL granted relief from the prohibited transaction restrictions under sections 406 (a) and (b) of ERISA.

<u>Your Right to Comment on Tentative Authorization</u>

As a person who may be affected by the Reinsurance Transactions, you have the right to comment on the tentative authorization during a twenty-five (25) day comment period. Written comments should be sent to:

> Office of Exemption Determinations
> Employee Benefits Security Administration
> U.S. Department of Labor
> 200 Constitution Avenue, NW
> Suite 400
> Washington, D.C. 20210
> **Attention : Blessed Chuksorji-Keefe, EXPRO Submission No. E-00789**

Comments may also be submitted by facsimile to (202) 693-8474 or by e-mail to: Chuksorji.Blessed@dol.gov.

Warning: Do not include any personally-identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly-disclosed with your comment.

Furthermore, please direct any questions regarding this notice or the proposed Reinsurance Transaction to **Mrs. Chuksorji-Keefe as shown above.** Questions regarding your benefits should be directed to Dawn Beaudin in the Hyatt HR Department at 312-750-1234.

The comment period will close on October 5, 2017. Final Authorization will not occur until the Department reviews all comments received in response to this notice.

<u>Exhibit A</u>

<u>Authorization</u>

The restrictions of Section 406(a)(1)(D) and 406(b) of ERISA shall not apply to the reinsurance of risks and the receipt of premiums therefrom by Xenia Assurance Company ("Xenia") in connection with insurance contracts sold by MetLife ("the Fronting Insurance Company") or any successor insurance company which is unrelated to Hyatt Corporation ("Hyatt") to provide Life Insurance, LTD and STD (collectively, the "Plan") to participants, provided the following conditions are met:

(a) Xenia:

(1) Is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with Hyatt that is described in Section 3(14)(E) or (G) of ERISA;

(2) Is licensed to sell insurance or conduct reinsurance operations in the state of Arizona;

(3) Has obtained a Certificate of Authority from the Arizona Department of Insurance, which has neither been revoked nor suspended;

(4) Has undergone and shall continue to undergo an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction covered by this exemption; or has undergone a financial examination by the Arizona Department of Insurance within five years prior to the end of the year preceding the year in which such reinsurance transaction has occurred; and

(5) Is licensed to conduct reinsurance transactions by the state of Arizona, whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority.

(b) The Plan pays no more than adequate consideration for the insurance contracts;

(c) No commissions may be paid by the Plan to any parties in interest with respect to the direct sale of the insurance contract or the reinsurance arrangement;

(d) In the initial year of any contract involving Xenia and MetLife or its successor, there is an immediate and objectively determined benefit to the Plan's participants and beneficiaries in the form of increased benefits, and such benefits continue in all subsequent years of each such contract of reinsurance and in every renewal of each such contract, and will at least approximate the increase in benefits effective in the initial year, as described above.

(e) In the initial year and in subsequent years of coverage provided by MetLife or its successor, the formula used by MetLife or its successor to calculate premiums will be similar to formulae used by other insurers providing comparable coverage under similar programs. Furthermore, the premium charge calculated in accordance with the formula will be reasonable and will be comparable to the premium charged by MetLife or its successor and its competitors with the same or a better rating providing the same coverage under comparable programs.

(f) MetLife or its successor will have a financial strength rating of ``A'' or better from A. M. Best Company. The reinsurance arrangement between the MetLife or its successor and Xenia will be indemnity insurance only, (i.e., MetLife or its successor will not be relieved of liability to the Plan, should Xenia be unable or unwilling to cover any liability arising from the reinsurance arrangement).

(g) The Plan retains an independent, qualified fiduciary (the Independent Fiduciary), Spring or its successor, to analyze the transactions and to render an opinion that the requirements of (a) through (f) and (h) herein have been satisfied.

(h) Participants and beneficiaries in the Plan will receive in subsequent years of every contract of reinsurance involving Xenia and MetLife or its successor no less than the immediate and objectively determined increased benefits such participants and beneficiaries received in the initial year of each such contract involving Xenia and MetLife or its successor.

(i) The Independent Fiduciary will: Monitor the transactions described herein on behalf of the Plan on a continuing basis to ensure such transactions remain in the interest of the Plan; take all appropriate actions to safeguard the interests of the Plan; and enforce compliance with all conditions and obligations imposed on any party dealing with the Plan.

(j) In connection with the provision to participants in the Plan of the insurance coverage provided by MetLife or its successor, which is reinsured by Xenia, the Independent Fiduciary will review all contracts (and any renewal of such contracts) of the reinsurance of risks and the receipt of premiums therefrom by Xenia and must determine that the requirements of this exemption, and the terms of the increased benefits continue to be satisfied.

Definitions:

(a) The term "affiliate" of a person includes any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person;

(b) The term "control" means the power to exercise a controlling influence over the management or policies of a person other than an individual.

(c) The term "Independent Fiduciary" describes a person, or a successor to such person, who is not Hyatt or Xenia or an affiliate of either entity; and:

(1) Does not have an ownership interest in Hyatt, Xenia, or in an affiliate of either;

(2) Is not a fiduciary with respect to the Plans prior to its appointment to serve as the Independent Fiduciary;

(3) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which it has an interest that might affect its best judgment as a fiduciary; and

(4) Has appropriate training, experience, and facilities to act on behalf of the Plans regarding the subject transactions in accordance with the fiduciary duties and responsibilities prescribed by ERISA. For the purposes of this definition of an "Independent Fiduciary," no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) for that fiscal year exceeds two percent (2%) of that organization's or individual's annual gross income from all sources for the prior fiscal year from Hyatt or Xenia, or from an affiliate of either (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department). In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent (10%) or more partner or shareholder, may acquire any property from, sell any property to, or borrow any funds from Hyatt or Xenia, or from any affiliate of either during the period that such organization or individual serves as an Independent Fiduciary, and continuing for a period of six (6) months after such organization or individual ceases to be the Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as the Independent Fiduciary.

(5) In the event a successor Independent Fiduciary is appointed to represent the interests of the Plan with respect to the Reinsurance Transaction, there may be no lapse in time between the resignation or termination of the former Independent Fiduciary and the appointment of the successor Independent Fiduciary.

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