

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): September 13, 2008**

**THE ALLSTATE CORPORATION**

(Exact name of Registrant as Specified in Charter)

**Delaware**  
(State or other  
jurisdiction of  
organization)

**1-11840**  
(Commission  
File Number)

**36-3871531**  
(IRS Employer  
Identification No.)

**2775 Sanders Road**  
**Northbrook, Illinois**  
(Address of Principal Executive Offices)

**60062**  
Zip

Registrant's telephone number, including area code: **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Section 5 – Corporate Governance and Management**

**Item 5.03(a). Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On September 15, 2008, the Registrant's Board of Directors adopted a resolution, effective immediately, to amend Article III of the Registrant's bylaws and to restate the bylaws. Article III was amended to allow for the formation of new Board committees consisting of one or more directors of the Registrant.

A copy of the amended and restated bylaws is attached hereto as Exhibit 3(ii).

**Item 8.01. Other Events.**

On September 13, 2008, the Registrant's Compensation and Succession Committee approved the following to address Internal Revenue Code Section 409A and other non-material issues:

- (1) The amendment and restatement of agreements for outstanding awards of restricted stock units granted before September 13, 2008 under the 2001 Equity Incentive Plan to employees or former employees who have or will attain age 60 with at least one year of service before the relevant periods of restriction lapse, effective December 31, 2008, subject to the consent of the holders of such awards on or before December 31, 2008. The form of such amended and restated award agreements is attached hereto as Exhibit 10.1.
- (2) The form of award agreement to be used for awards of restricted stock units made on or after September 13, 2008 under the 2001 Equity Incentive Plan. The form of such award agreement is attached hereto as Exhibit 10.2.
- (3) The form of award agreement to be used for stock option awards made on or after September 13, 2008 under the 2001 Equity Incentive Plan. The form of such award agreement is attached hereto as Exhibit 10.3.

On September 15, 2008, to address Internal Revenue Code Section 409A and other non-material issues, the Registrant's Board of Directors approved the amendment and restatement of the following plans in the forms attached hereto as Exhibits 10.4 through 10.7:

- (1) Amended and Restated 2001 Equity Incentive Plan.
- (2) Equity Incentive Plan for Non-Employee Directors.
- (3) 2006 Equity Compensation Plan for Non-Employee Directors.
- (4) Deferred Compensation Plan for Non-Employee Directors.

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In addition, on September 15, 2008, to address Internal Revenue Code Section 409A and other non-material issues, the Registrant's Board of Directors approved the following:

- (1) The amendment and restatement of agreements for outstanding awards of restricted stock units granted before September 15, 2008 under the 2006 Equity Compensation Plan for Non-Employee Directors, effective December 31, 2008, subject to the consent of the holders of such awards. The form of such amended and restated award agreements is attached hereto as Exhibit 10.8.
- (2) The form of award agreement to be used for awards of restricted stock units made on or after September 15, 2008 under the 2006 Equity Compensation Plan for Non-Employee Directors. The form of such award agreement is attached hereto as Exhibit 10.9.

Finally, on September 15, 2008, the Registrant's Board of Directors adopted the resolutions regarding non-employee director compensation set forth in Exhibit 10.10.

## Section 9 – Financial Statements and Exhibits

### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3 (ii)	Amended and Restated Bylaws of The Allstate Corporation, as amended September 15, 2008
10.1	Form of amended and restated Restricted Stock Unit Award Agreement for certain retirement eligible/retired employees with regard to awards outstanding on September 13, 2008 under The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan
10.2	Form of Restricted Stock Unit Award Agreement for awards granted on or after September 13, 2008 under The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan
10.3	Form of Option Award Agreement for awards granted on or after September 13, 2008 under The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan
10.4	The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan, as amended and restated effective September 15, 2008
10.5	The Allstate Corporation Equity Incentive Plan for Non-Employee Directors, as amended and restated effective September 15, 2008
10.6	The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors, as amended and restated effective September 15, 2008
10.7	The Allstate Corporation Deferred Compensation Plan for Non-Employee Directors, as amended and restated effective September 15, 2008
10.8	Form of amended and restated Restricted Stock Unit Award Agreement with regard to awards outstanding on September 15, 2008 under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors
10.9	Form of Restricted Stock Unit Award Agreement for awards granted on or after September 15, 2008 under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors
10.10	Resolutions regarding Non-Employee Director Compensation

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**THE ALLSTATE CORPORATION**

By: /s/ Jennifer M. Hager  
Name: Jennifer M. Hager  
Title: Assistant Secretary

Date: September 19, 2008

## AMENDED AND RESTATED BYLAWS OF

## THE ALLSTATE CORPORATION

As Amended September 15, 2008

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**AMENDED AND RESTATED BYLAWS OF**

**THE ALLSTATE CORPORATION**

**A Delaware corporation**

**ARTICLE I**

**OFFICES**

Section 1. Registered Office; Registered Agent. The registered office in the State of Delaware and the name of the corporation's registered agent at such address shall be as stated in the certificate of incorporation of The Allstate Corporation, as it may be amended.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the corporation may determine or the business of the corporation may require.

## ARTICLE II

### STOCKHOLDERS

Section 1. Meetings of Stockholders. All meetings of the stockholders for the election of directors shall be held at the registered office of the corporation or at such other place determined by the Board, within or without the State of Delaware, as may be set forth in the notice of call. Meetings of stockholders for any other purpose may be held at such time and place determined by the Board, within or without the State of Delaware, as shall be stated in the notice of call.

Section 2. Annual Meeting. The annual meeting of stockholders shall be held each year at a time and place determined by the Board. At the annual meeting, the stockholders shall elect a Board and transact such other business as may properly be brought before the meeting.

Section 3. Notice of Annual Meetings. Written notice of the annual meeting shall be given to each stockholder entitled to vote at the meeting at least ten and not more than 60 days before the date of the meeting.

Section 4. Stockholder List. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of

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shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 5. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by the certificate of incorporation, may be called only by the Chairman of the Board. The Chairman of the Board shall call a special meeting at the request in writing of a majority of the Board. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Notice of Special Meetings. Written notice of a special meeting of stockholders, stating the date, time, place and purpose or purposes thereof, shall be given to each stockholder entitled to vote at the meeting, at least ten and not more than 60 days before the date fixed for the meeting.

Section 7. Business Transacted At Special Meetings. Business transacted at any special stockholders meeting shall be limited to the purposes stated in the corporation's notice of meeting. Nominations of persons for election to the Board at any special meeting shall be made only in accordance with the provisions of Section 16 of this Article II.

Section 8. Appointment of Inspectors of Election. In advance of sending to the stockholders any notice of a meeting of the holders of any class of shares, the Board shall appoint one or more inspectors of election to act at such meeting or any adjournment or postponement thereof and to make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is so appointed or if no inspector or alternate is able to act, the Chairman of the Board shall appoint one or more inspectors to act at such meeting. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. No inspector shall be a director, officer or employee of the corporation.

Section 9. Quorum; Adjournment. Except as otherwise required by law or the certificate of incorporation, the holders of a majority of the stock issued and outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum at such stockholder meeting. When any stockholders meeting is convened, the chairman

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of the meeting may adjourn the meeting without a stockholders vote if (i) so directed by the Board and (ii) either (a) no quorum is present or (b) the Board determines that adjournment is necessary or appropriate to enable the stockholders (1) to fully consider information that the Board determines has not been made sufficiently available to stockholders or has not been made available to them on a timely basis or (2) to otherwise effectively exercise their voting rights. If a quorum is present or represented at the reconvening of an adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days or if, after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Power. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes, the certificate of incorporation or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 11. Voting; Proxies. Except as otherwise provided by law or by the certificate of incorporation and subject to these bylaws, at every stockholders meeting each stockholder shall be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder. No proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. No share of stock shall be voted in any election for directors that has been transferred on the books of the corporation within 20 days next preceding such election of directors, except as otherwise provided by

law or the certificate of incorporation or unless the transfer books of the corporation have been closed or a date has been fixed as a record date for the determination of stockholders entitled to vote in such election.

Section 12. Ballots. The vote on any matter, including the election of directors, shall be by written ballot. Each ballot shall be signed by the stockholder voting or by such stockholder's proxy and shall state the number of shares voted.

Section 13. Stock Ledger. The stock ledger of the corporation shall be the only evidence as to who are the stockholders entitled (i) to examine the stock ledger, any stockholder list required by these bylaws or the books of the corporation or (ii) to vote in person or by proxy at any meeting of stockholders.

Section 14. No Stockholder Action By Written Consent. Any action required or permitted to be taken by the holders of any class or series of stock of the corporation entitled to vote generally in the election of directors may be taken only by vote at an annual or special meeting at which such action may be taken and may not be taken by written consent.

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Section 15. Advance Notice of Stockholder-Proposed Business at Annual Meeting.

(A) Proper Business. To be properly brought before an annual meeting, business must be (i) specified in the corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board or (iii) otherwise properly brought before the meeting by a stockholder who (a) was a stockholder of record at the time of giving of notice provided for in Section 3 of this Article II and continues to be a stockholder at the time of the annual meeting, (b) is entitled to vote at the meeting and (c) complies with the notice procedures and requirements set forth in Sections 15(B) and 15(C) of this Article II. Section 15(A)(iii) of this Article II shall be the exclusive means for a stockholder to propose any business to be brought before an annual meeting of stockholders (other than with respect to the nomination and election of directors, which is governed by Section 16 of this Article II, and other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such Act, together with the rules and regulations promulgated thereunder, the "Exchange Act") and included in the corporation's notice of meeting).

(B) Timely Notice of Stockholder Proposed Business. For business (other than with respect to the nomination and election of directors, which is governed by Section 16 of this Article II) to be properly brought before any annual meeting by a stockholder, whether pursuant to the corporation's notice of meeting or otherwise, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and such business must be a proper matter for stockholder action and if the stockholder proposing such business or any Stockholder Associated Person (as defined below), solicits or participates in the solicitation of proxies in support of such proposal, the stockholder must have indicated each such person's intention to so solicit or participate in the solicitation of proxies in such notice. To be timely, a stockholder's notice must be received by the Secretary at the corporation's principal place of business not earlier than the close of business on the 120<sup>th</sup> day and not later than the close of business on the 90<sup>th</sup> day prior to the one-year anniversary of the date of the annual meeting of the previous year. However, in the event that the date of the annual meeting is more than 30 days before or after such anniversary date, in order to be timely, a stockholder's notice must be received by the Secretary at the corporation's principal place of business not earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting and the 10<sup>th</sup> day following the date of the first public announcement of the annual meeting date. In no event shall the public announcement of an adjournment or postponement of an annual meeting, or such adjournment or postponement, commence a new time period or otherwise extend any time period for the giving of a stockholder's notice as described above.

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(C) Notice.

(i) As to each matter the stockholder proposes to bring before the annual meeting, to be in proper form, the stockholder's notice shall set forth and include the following:

(a) a brief description of the business desired to be brought before the annual meeting, including the text of any proposal regarding such business, and the reasons for conducting such business at the annual meeting, which shall not exceed 500 words,

(b) any interest of such stockholder and/or any Stockholder Associated Person in such business,

(c) a detailed description of whether such stockholder and/or any Stockholder Associated Person has communicated with any other stockholder or beneficial owner of any securities of the corporation regarding such business and a detailed description of every agreement, arrangement and understanding between such stockholder and/or Stockholder Associated Person, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder, and

(d) a list of each company to which such stockholder and/or any Stockholder Associated Person has proposed at any time during the past five years, or is currently proposing, business that is substantially similar to the business desired to be brought before the annual meeting, together with the date such proposal was made.

(ii) As to the stockholder giving such notice and each Stockholder Associated Person, to be in proper form, the stockholder's notice shall set forth and include the following:

(a) the name and address, as they appear on the corporation's books, of the stockholder proposing such business and the name and address of the Stockholder Associated Person, if any, and a detailed description of the relationship between such stockholder and any such Stockholder Associated Person and every agreement, arrangement and understanding between such stockholder and Stockholder Associated Person in connection with the proposal of such business by such stockholder,

(b) the class or series and number of shares of securities of the corporation which are, directly or indirectly, owned beneficially and of record by such stockholder and/or Stockholder Associated Person, if any (which information shall be supplemented by such stockholder and Stockholder Associated Person, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date),

(c) a detailed description of all purchases and sales of securities of the corporation by such stockholder and/or Stockholder Associated Person, if any, during the previous twelve month period, including, without limitation, the date of such transactions, the class

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and number of securities involved in such transactions, the consideration involved in such transactions and the investment intent in respect thereof,

(d) a detailed description of all Derivative Transactions by such stockholder and/or Stockholder Associated Person, if any, during the previous twelve month period, including, without limitation, the date of such transactions and the class and number of securities involved in, and the material terms of such transactions (such description to include all information that such stockholder and/or Stockholder Associated Person, if any, would have been required to report on an Insider Report (as defined below) if such stockholder and/or Stockholder Associated Person, if any, had been directly or indirectly the beneficial owner of more than ten percent (10%) of any class of any equity security of the corporation or a director or an officer of the corporation at the time of such transactions and the effect of such Derivative Transactions on any voting or economic rights relating to the securities of the corporation as of the date of the notice and any change in such voting or economic rights which may arise pursuant to the terms of the Derivative Transactions under any circumstances, whether or not then contingent or subject to conditions precedent or subsequent),

(e) to the extent actually known by the stockholder giving the notice, the name and address of any other person who owns, of record or beneficially, any securities of the corporation and who supports the proposal of such business that such stockholder proposes to bring before the meeting on the date of such stockholder's notice,

(f) a detailed description of each proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder and/or Stockholder Associated Person, if any, has a right to vote, or cause or direct the vote of, any securities of the corporation,

(g) a detailed description of any proportionate interest in shares of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder and/or Stockholder Associated Person, if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, and

(h) any other information relating to such stockholder and Stockholder Associated Person, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal pursuant to Section 14 of the Exchange Act.

(D) **General.** Notwithstanding anything in these bylaws to the contrary, only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 15. Notwithstanding the foregoing provisions of this Section 15, a stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 15. Any references to the Exchange Act are not intended to and shall not limit the requirements applicable to stockholder-proposed business to be considered pursuant to this Section 15.

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(E) **Definitions.** For purposes of Sections 15 and 16 this Article II, the following terms shall have the following meanings:

(i) "Derivative Transaction" by a person shall mean any (a) transaction in, or arrangement, agreement, understanding or relationship with respect to, any option, warrant, convertible or exchangeable security, stock appreciation right or right similar to any of the foregoing with an exercise, conversion or exchange privilege, or settlement payment or mechanism related to, any security of the corporation, or similar instrument with a value derived in whole or in part from the value of a security of the corporation, in any such case whether or not it is subject to settlement in a security of the corporation or otherwise, (b) any transaction, arrangement, agreement, proxy, understanding or relationship which included or includes an opportunity for such person, directly or indirectly, to profit or share in any profit derived from any increase or decrease in the value of any security of the corporation, to receive or share in the receipt of dividends payable on any securities of the corporation separate or separable from the underlying shares, to mitigate any loss or manage any risk associated with any increase or decrease in the value of any security of the corporation or to increase or decrease the number of securities of the corporation which such person was, is or will be entitled to vote, in any case whether or not it is subject to settlement in a security of the corporation or otherwise, in each case under clauses (a) and (b) including, without limitation, any put or call arrangement, short position, borrowed shares or swap or similar arrangement and (c) any transaction, arrangement, agreement, understanding or relationship with respect to the borrowing or lending of securities of the corporation or any interest therein,

(ii) "Insider Report" shall mean a statement required to be filed pursuant to Section 16 of the Exchange Act by a person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of any equity security of the corporation or who is a director or an officer of the corporation,

(iii) "Proposed Nominee Associated Person" of any Proposed Nominee shall mean (a) any person acting in concert (pursuant to any agreement, arrangement, understanding or otherwise, whether written or oral) with such Proposed Nominee, (b) any beneficial owner of any securities of the corporation owned of record or beneficially by such Proposed Nominee, (c) any person directly or indirectly controlling, controlled by or under common control with such Proposed Nominee or a Proposed Nominee Associated Person, (d) any such Proposed Nominee's spouse or descendant, (e) any trust or family partnership or other entity whose beneficiaries or owners shall solely be such Proposed Nominee and/or such Proposed Nominee's spouse and/or any person related by blood or adoption to such Proposed Nominee or such Proposed Nominee's spouse and (f) the estate of such Proposed Nominee.

(iv) "Public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press, Reuters or comparable national news

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service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act, and

(v) “Stockholder Associated Person” of any stockholder shall mean (a) any person acting in concert (pursuant to any agreement, arrangement, understanding or otherwise, whether written or oral) with such stockholder, (b) any beneficial owner of any securities of the corporation owned of record or beneficially by such stockholder, (c) any person directly or indirectly controlling, controlled by or under common control with such stockholder or a Stockholder Associated Person, (d) with respect to any stockholder who is a natural person, any such stockholder’s spouse or descendant, (e) any trust or family partnership or other entity whose beneficiaries or owners shall solely be such individual and/or such individual’s spouse and/or any person related by blood or adoption to such individual or such individual’s spouse and (f) the estate of such person.

Section 16. Nomination of Directors; Advance Notice of Stockholder Nominations. Only persons who are nominated in accordance with the procedures set forth in this Section 16 shall be eligible for election as directors.

(A) Annual Meetings of Stockholders. (i) Nominations of persons for election to the Board at any annual meeting may be made (a) pursuant to the corporation’s notice of meeting, (b) at the annual meeting by or at the direction of the Board or by any nominating committee or person appointed for such purpose by the Board, or (c) by any stockholder of the corporation who (1) was a stockholder of record at the time of giving of notice provided for in Section 3 of this Article II and continues to be a stockholder at the time of the annual meeting, (2) is entitled to vote at the meeting, and (3) complies with the notice procedures and requirements set forth in this Section 16(A).

(ii) For nominations to be properly brought before any annual meeting by a stockholder pursuant to Section 16(A)(i)(c) of this Article II, whether pursuant to the corporation’s notice of meeting or otherwise, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and if the stockholder making such nomination or any Stockholder Associated Person, solicits or participates in the solicitation of proxies in support of such nomination, the stockholder must have indicated each such person’s intention to so solicit or participate in the solicitation of proxies in such notice. To be timely, a stockholder’s notice of a nomination must be received by the Secretary at the corporation’s principal place of business during the applicable period described in Section 15(B) of this Article II for a timely stockholder’s notice of a matter proposed to be brought before such annual meeting. In no event shall the public announcement of an adjournment or postponement of an annual meeting, or such adjournment or postponement, commence a new time period or otherwise extend any time period for the giving of a stockholder’s notice as described above.

(iii) As to each person whom the stockholder proposes to nominate for election or re-election as a director (the “Proposed Nominee”) and each Proposed Nominee

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Associated Person, to be in proper form, the stockholder’s notice shall set forth and include the following:

(a) all information relating to the person that is required to be disclosed in solicitations for proxies for election of directors in a contested election (even if a contested election is not involved) pursuant to and in accordance with Section 14 of the Exchange Act (including such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected),

(b) a detailed description of all direct and indirect material compensation and other monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and/or any Stockholder Associated Person, on the one hand, and each Proposed Nominee and/or Proposed Nominee Associated Person, if any, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K (or its successor Item) if the stockholder making the nomination and/or the Stockholder Associated Person, if any, were the “registrant” for purposes of such item and the Proposed Nominee and/or Proposed Nominee Associated Person, if any, were a director or executive officer of such registrant,

(c) a detailed description of whether such stockholder and/or any Stockholder Associated Person has communicated with any other stockholder or beneficial owner of any securities of the corporation regarding such nomination and a detailed description of every agreement, arrangement and understanding between such stockholder and/or Stockholder Associated Person, and any other person or persons (including their names) in connection with the proposal of such nomination by such stockholder, and

(d) the completed and signed questionnaire, representation and agreement required by Section 16(D) of this Article II.

(iv) As to the stockholder giving such notice and each Stockholder Associated Person, to be in proper form, the stockholder’s notice shall set forth and include the following:

(a) the information described in Section 15(C)(ii) of this Article II, and

(b) any other information relating to such stockholder and Stockholder Associated Person, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election (even if a contested election is not involved) pursuant to Section 14 of the Exchange Act.

The corporation may require any Proposed Nominee to furnish such other information as may reasonably be required by the corporation to determine the qualifications of such Proposed Nominee (x) to serve as an independent director of the

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corporation or that could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such Proposed Nominee or (y) to comply with insurance regulatory requirements that may be applicable, from time to time, to directors of the corporation.

Notwithstanding anything in Section 16(A)(ii) of this Article II to the contrary, in the event that the number of directors to be elected at an annual meeting to the Board is increased and the corporation does not make a public announcement naming all of the nominees for director or specifying the size of the increased Board at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 16 shall also be considered timely with respect to nominees for any new positions created by such increase if it is received by the Secretary at the corporation's principal place of business not later than the close of business on the 10<sup>th</sup> day after the day on which such public announcement is first made by the corporation.

(B) Special Meetings of Stockholders. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of meeting (i) by or at the direction of the Board or by any nominating committee or person appointed for such purpose by the Board, or (ii) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the corporation who (A) was a stockholder of record at the time of giving of notice provided for in Section 6 of this Article II and continues to be a stockholder at the time of the special meeting, (B) is entitled to vote at the meeting and (C) complies with the notice procedures set forth in this Section 16(B). In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice is in the proper form for a notice pursuant to Section 16(A) of this Article II for a stockholder notice of a nomination at an annual meeting (including the completed and signed questionnaire, representation and agreement required by Section 16(D) of this Article II) and shall be received by the Secretary at the principal place of business of the corporation not earlier than the close of business on the 120<sup>th</sup> day prior to such special meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such special meeting and the 10<sup>th</sup> day following the date of the first public announcement of the special meeting date and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting, or such adjournment or postponement, commence a new time period or otherwise extend any time period for the giving of a stockholder's notice as described above.

(C) General. Notwithstanding anything in these bylaws to the contrary, only such persons who are nominated in accordance with the procedures set forth in this Section 16 shall be eligible to be elected at an annual or special meeting of the stockholders of the corporation to serve as directors. Notwithstanding the foregoing provisions of this Section 16, a stockholder shall also comply with all applicable requirements of the

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Exchange Act with respect to the matters set forth in this Section 16. Any references to the Exchange Act are not intended to and shall not limit the requirements applicable to nominations to be considered pursuant to this Section 16.

(D) Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 16) to the Secretary at the corporation's principal place of business a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) will abide by the requirements of Section 2 of Article III, (ii) is not and will not become a party to (a) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation or (b) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law, (iii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (iv) will comply with all informational and similar requirements of applicable insurance and other laws and regulations and (v) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation.

Section 17. Stockholder Proposals; Preferred Stock Election Rights. Subject to compliance with the procedures and requirements set forth in Sections 15 and 16 of this Article II, nothing in this Article II shall be deemed to affect any rights of (i) stockholders to request inclusion of proposals or nominations in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) the holders of any series of preferred stock if and to the extent provided under law, the certificate of incorporation or these bylaws.

Section 18. Procedural Matters.

(A) Defective Proposals and Nominations. Except as otherwise provided by law, the certificate of incorporation or these bylaws, the chairman of a stockholders meeting shall have the sole power and duty to determine whether any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in Sections 7, 15 or 16 of this Article II and, if any proposed

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business is not in compliance with such sections, to declare that such defective proposal or nomination shall be disregarded, which determination or declaration shall be final and binding to the fullest extent permitted by applicable law.

(B) Polls and Rules of Conduct. At each stockholders meeting, the chairman of the meeting shall fix and announce the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote and shall determine the order of business and all other matters of procedure. Except to the extent inconsistent with any rules that are adopted by the Board, the chairman may establish rules to maintain order for the conduct of the meeting, including, without limitation, rules restricting attendance to *bona fide* stockholders of record, their proxies and other persons in attendance at the invitation of the chairman and rules governing speeches and debates. In establishing rules, the chairman will have absolute discretion and his or her rulings will not be subject to appeal. Rules established by the chairman need not be in writing.

## DIRECTORS

Section 1. Powers. The business of the corporation shall be managed by or under the direction of its Board. The Board may exercise all such powers of the corporation and do all such lawful acts and things as are not by law, by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

Section 2. Election of Directors.

(A) Size of the Board. The Board shall consist of a minimum of three directors and a maximum of 15 directors. The number of directors shall be established by resolution of the Board. The directors shall be elected as provided in this Section 2 or in Section 3 of this Article III, and each director elected shall hold office until a successor is duly elected and qualified or his or her earlier resignation or removal.

(B) Majority Vote. Each director to be elected by stockholders shall be elected by the vote of the majority of the votes cast at any meeting for the election of directors at which a quorum is present, subject to the rights of the holders of any series of preferred stock to elect directors in accordance with the terms thereof. For purposes of this bylaw, a majority of votes cast shall mean that the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to that director's election. Votes cast shall include votes to withhold authority in each case and exclude abstentions with respect to that director's election. Notwithstanding the foregoing, if an election of directors is contested, then directors shall be elected by the vote of a plurality of the votes

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cast at any meeting for the election of directors at which a quorum is present. For purposes of this bylaw, a contested election shall mean any election of directors in which, as of the record date, the number of nominees for election as directors exceeds the number of directors to be elected.

(C) Tender of Resignation in Majority Vote Context. If a nominee for director who is an incumbent director is not elected and no successor has been elected at such meeting, the director shall promptly tender his or her resignation to the Board in accordance with the agreement contemplated by Section 16(D) of Article II. The Nominating and Governance Committee shall make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board shall act on the tendered resignation, taking into account the Nominating and Governance Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Nominating and Governance Committee in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Nominating and Governance Committee or the decision of the Board with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board, such director shall continue to serve until the end of his or her term and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board pursuant to this bylaw, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 3 of this Article III or may decrease the size of the Board pursuant to the provisions of Section 2(A) of this Article III.

Section 3. Filling of Vacancies. Vacancies and newly created directorships may be filled by a majority of the directors then in office, though less than a quorum. Each director so chosen shall hold office until a successor is duly elected and qualified or his or her earlier resignation or removal. If there are no directors in office, then an election of directors may be held in the manner provided by the General Corporation Law of the State of Delaware. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

Section 4. Resignation. Any director may resign at any time upon written notice to the corporation sent to the General Counsel or the Secretary. Such written resignation shall take effect at the time specified therein, but in no event earlier than the time of receipt by the General Counsel or the Secretary, or if no time be specified, at the time of its receipt by the General Counsel or the Secretary. The acceptance of a resignation shall not be necessary to make it effective.

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Section 5. Meetings of the Board. The Board may hold both regular and special meetings, either within or without the State of Delaware.

Section 6. Annual Meetings. The annual meeting of each newly elected Board shall be held without notice immediately after the annual meeting of stockholders, within or without the State of Delaware.

Section 7. Regular Meetings. Regular meetings, other than the annual meeting, of the Board may be held within or without the State of Delaware at such time and at such place as shall be determined by resolution of the Board.

Section 8. Special Meetings. Special meetings of the Board shall be called by the Secretary or an Assistant Secretary on the request of the Chairman of the Board or on the request in writing of one-third of the whole Board, stating the purpose or purposes of such meeting.

Section 9. Notice of Meetings. Notices of Board meetings may be made in writing, by electronic transmission, by telephone or in person. If a Board meeting notice is made in writing, it shall be addressed to each director at his or her usual place of business, residence or such other location at which he or she is known to be. Any such notice in writing shall be sent not later than three days before such meeting. If a Board meeting notice is made by electronic transmission, by telephone or in person, it shall be sent or given not later than three hours before the meeting. If a Board meeting notice is sent by electronic transmission, it shall be sent to each director at such destination and by such means as such director shall have previously consented to. Notice of any Board meeting need not be given to any director who shall sign a written waiver thereof either before or after the meeting or who shall be present at the meeting and participate in the business transacted. Any and all business transacted at any Board meeting shall be fully effective without any notice thereof having been given if all the members shall be present. Unless limited by law, the certificate of incorporation, the bylaws, or by the terms of the notice thereof, any and all business may be transacted at any meeting without the notice thereof having so specially enumerated the matters to be acted upon.

Section 10. Organization. The Chairman of the Board shall preside at all Board meetings at which he or she is present. If the Chairman of the Board shall be absent from any Board meeting, the duties otherwise provided in this Section 10 to be performed by the Chairman of the Board at such meeting shall be performed at such meeting by one of the directors chosen by the members of the Board present at such meeting. The Secretary of the corporation shall act as the secretary at all Board meetings and, in the Secretary's absence, the chairman of the meeting shall appoint a temporary secretary.

Section 11. Quorum; Voting; Adjournment. Except as otherwise required by law, by the certificate of incorporation or by these bylaws, at all Board meetings, a majority of the whole Board shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act

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of the Board. If a quorum shall not be present at any Board meeting, the directors who are present may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present.

Section 12. Action By Unanimous Written Consent. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any Board meeting or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 13. Participation in Meetings by Conference Telephone or Other Communications Equipment. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board or any committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

Section 14. Committees of Directors. By resolution passed by a majority of the whole Board, the Board may designate one or more committees. Each committee shall consist of one or more of the directors of the corporation. To the extent provided in the resolution, each committee shall have and may exercise the powers of the Board in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each committee shall have such name as may be determined by resolution adopted by the Board.

Section 15. Committee Members. Each member of any such committee shall hold office until such member's successor is elected and has qualified, unless such member sooner dies, resigns, or is removed. Subject to these bylaws, the number of directors which shall constitute any committee shall be determined by the whole Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any committee meeting.

Section 16. Committee Secretary. The Board may elect a secretary of any such committee. If the Board does not elect such a secretary, the committee shall do so. The secretary of any committee need not be a member of the committee, but shall be selected from a member of the staff of the office of the Secretary of the corporation, unless otherwise provided by the Board.

Section 17. Minutes of Committee Meetings. The secretary of each committee shall keep regular minutes of the committee meetings and shall provide copies of the minutes to the Secretary of the corporation, unless otherwise provided by the Board.

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Section 18. Committee Meetings. Meetings of committees of the Board may be held at any place, within or without the State of Delaware, as shall be designated by the Board or the committee. Regular meetings of any committee shall be held at such times as may be determined by resolution of the Board or the committee and no notice shall be required for any regular meeting. A special meeting of any committee shall be called by resolution of the Board or by the Secretary or an Assistant Secretary upon the request of any member of the committee. Notices of special meetings may be made in writing, by electronic transmission, by telephone or in person. If such meeting notice is made in writing, it shall be addressed to each member at his or her usual place of business, residence or such other location at which he or she is known to be. Any such notice in writing shall be sent not later than two days before such meeting. If a meeting notice is made by electronic transmission, by telephone or in person, it shall be sent or given not later than three hours before the meeting. If a committee meeting notice is sent by electronic transmission, it shall be sent to each member at such destination and by such means as such member shall have previously consented to. Notice of any such meeting need not be given to any member who shall sign a written waiver thereof, either before or after the meeting, or who shall be present at the meeting and participate in the business transacted. Any and all business transacted at any meeting of any committee shall be fully effective without any notice thereof having been given if all the members of the committee shall be present. Unless limited by law, the certificate of incorporation, these bylaws, or by the terms of the notice thereof, any and all business may be transacted at any special meeting without the notice thereof having so specifically enumerated the matters to be acted upon.

Section 19. Executive Committee. The Board may designate an Executive Committee by Board resolution. The Executive Committee shall consist of a director, who shall serve as chair of the Executive Committee, and not less than two other directors, a majority of whom shall not be officers or employees of the corporation, as shall be prescribed by the Board. Unless otherwise provided by resolution of the Board, between Board meetings the Executive Committee shall have all the powers of the Board and may perform all of the Board's duties. However, the Executive Committee shall have no authority as to the following matters: (i) submission to stockholders of any action that requires stockholders' authorization under the General Corporation Law of the State of Delaware; (ii) compensation of directors; (iii) amendment or repeal of these bylaws or the adoption of new bylaws; (iv) amendment or repeal of any resolution of the Board that by its terms may not be so amended or repealed; (v) action in respect of dividends to stockholders; and (vi) election of officers, directors or members of committees of the Board. Any action taken by the Executive Committee shall be subject to revision or alteration by the Board, provided that rights or acts of third parties vested or taken in reliance on such action prior to their written notice of any such revision or alteration shall not be adversely affected by such revision or alteration.

Section 20. Audit Committee. The size of the Audit Committee shall be set by the Board, but will always consist of at least three directors. The members of the Audit Committee shall be appointed by the Board upon the recommendation of the Nominating

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and Governance Committee in accordance with the independence and experience requirements of the New York Stock Exchange. The powers, responsibilities and functions of the Audit Committee shall be as set forth in the Audit Committee charter, which shall be adopted and approved by the Board. The Audit Committee shall review and reassess the adequacy of its charter on an annual basis and recommend any proposed changes to the Board for its adoption and approval.

Section 21. Compensation and Succession Committee. The size of the Compensation and Succession Committee shall be set by the Board, but will always consist of at least two directors. The members of the Compensation and Succession Committee shall be appointed by the Board upon the recommendation of the Nominating and Governance Committee and shall be limited to directors who are not employees of the corporation or any of its subsidiaries. The powers, responsibilities and functions of the Compensation and Succession Committee shall be as set forth in the Compensation and Succession Committee charter, which shall be adopted and approved by the Board.

Section 22. Nominating and Governance Committee. The size of the Nominating and Governance Committee shall be set by the Board, but will always consist of at least two directors. The members of the Nominating and Governance Committee shall be appointed by the Board upon the recommendation of either the Chairman of the Board or the Nominating and Governance Committee and shall be limited to directors who are not employees of the corporation or any of its subsidiaries. The powers, responsibilities and functions of the Nominating and Governance Committee shall be as set forth in the Nominating and Governance Committee charter, which shall be adopted and approved by the Board.

Section 23. Compensation of Directors. Unless otherwise restricted by the certificate of incorporation, the Board shall have the authority to fix the compensation of directors by written resolution. The directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

#### ARTICLE IV

##### INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Definitions. As used in this Article:

(A) “acted properly” as to any employee shall mean that such person

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- (i) acted in good faith;
- (ii) acted in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation; and
- (iii) with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act properly.

- (B) “covered person” shall mean an Indemnitee (as defined below) or an Employee Indemnitee (as defined below).
- (C) “Employee Indemnitee” shall mean any person who is or was a non-officer employee of the corporation or of a subsidiary, including an employee providing professional services, to the extent that such person was providing services specifically to or on behalf of the corporation.
- (D) “expenses” shall include attorneys’ fees and expenses and any attorneys’ fees and expenses of establishing a right to indemnification under this Article.
- (E) “Indemnitee” shall mean any person who is or was
  - (i) a director or officer of the corporation and/or any subsidiary;
  - (ii) a trustee or a fiduciary under any employee pension, profit sharing, welfare or similar plan or trust of the corporation and/or any subsidiary; or
  - (iii) serving at the request of the corporation as a director or officer of or in a similar capacity in another corporation, partnership, joint venture, trust or other enterprise, (which shall, for the purpose of this Article be deemed to include not-for-profit or for-profit entities of any type), whether acting in such capacity or in any other capacity including, without limitation, as a trustee or fiduciary under any employee pension, profit sharing, welfare or similar plan or trust.
- (F) “proceeding” shall mean any threatened, pending or completed action or proceeding, whether civil or criminal, and whether judicial, legislative or

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administrative and shall include investigative action by any person or body, except any of the above (or part thereof) commenced by a covered person, unless the commencement of such proceeding (or part thereof) was authorized in the specific case by the Board.

- (G) “subsidiary” shall mean a corporation, 50% or more of the shares of which at the time outstanding having voting power for the election of directors are owned directly or indirectly by the corporation or by one or more subsidiaries or by the corporation and one or more subsidiaries.

Section 2. Indemnification.

- (A) The corporation shall indemnify any Indemnitee to the fullest extent permitted under law (as the same now or hereafter exists), who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an Indemnitee against liabilities, expenses, judgments, fines, excise taxes or penalties assessed with respect to an employee benefit plan or trust and amounts paid in settlement actually and reasonably incurred by him or her.
- (B) The corporation shall indemnify any Employee Indemnitee who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was an Employee Indemnitee against liabilities, expenses, judgments, fines, excise taxes or penalties assessed with respect to an employee benefit plan or trust and amounts paid in settlement actually and reasonably incurred by him or her in connection with such proceeding if such person acted properly.
- (C) The corporation shall indemnify any Employee Indemnitee who was or is a party or is threatened to be made a party to any proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was an Employee Indemnitee against amounts paid in settlement and against expenses actually and reasonably incurred by him or her in connection with the defense or settlement of such proceeding if he or she acted properly, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Advances. Expenses incurred in defending, or prosecuting or otherwise participating in a proceeding shall be paid by the corporation to or on behalf of a covered person in advance of the final disposition of such proceeding if the corporation shall have received an undertaking by or on behalf of such person to repay such amounts if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized in this Article.

Section 4. Procedures for Indemnification. Any indemnification under Section 2 of this Article (unless ordered by a court) shall be made by the corporation only as authorized in the specific proceeding upon a determination that indemnification to a covered person is proper in the circumstances. Such determination shall be made:

- (A) by the Board, by a majority vote of a quorum consisting of directors who were not made parties to such proceeding, or
- (B) if such a quorum is not obtainable, or, even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or
- (C) in the absence of a determination made under (A) or (B), by the stockholders.

Section 5. Indemnification - Other Entities. The corporation shall indemnify or advance funds to any Indemnitee described in Section 1(E)(iii) only after such person shall have sought indemnification or an advance from the corporation, partnership, joint venture, trust or other enterprise in which he or she was serving at the corporation's request, shall have failed to receive such indemnification or advance and shall have assigned irrevocably to the corporation any right to receive indemnification which he or she might be entitled to assert against such other corporation, partnership, joint venture, trust or other enterprise.

Section 6. Miscellaneous.

- (A) The indemnification provided to a covered person by this Article:
- (i) shall not be deemed exclusive of any other rights to which such person may be entitled by law or under any articles of incorporation, by-law, agreement, vote of shareholders or disinterested directors or otherwise;
- (ii) shall inure to the benefit of the legal representatives of such person or his or her estate, whether such representatives are court appointed or otherwise designated, and to the benefit of the heirs of such person; and
- (iii) shall be a contract right between the corporation and each such person who serves in any such capacity at any time while this Article IV is in effect, and any repeal or modification of law or this Article IV shall not negatively affect any rights or obligations then existing with respect to any state of facts or any proceedings then existing.
- (B) The indemnification and advances provided to a covered person by this Article shall extend to and include claims for such payments arising out of any proceeding commenced or based on actions of such person taken prior to the effective date of this Article; provided that payment of such claims had not been agreed to or denied by the corporation at the effective date.
- (C) The corporation shall have the power to purchase and maintain insurance on behalf of any covered person against any liability asserted against him or her and incurred by him or her as a covered person or arising out of his or her status as such, whether or not the corporation

would have the power to indemnify him or her against such liability under the provisions of this Article. The corporation shall also have power to purchase and maintain insurance to indemnify the corporation for any obligation which it may incur as a result of the indemnification of covered persons under the provisions of this Article.

- (D) The invalidity or unenforceability of any provision in this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

## ARTICLE V

### NOTICES

Section 1. Notice. Except as otherwise specifically provided for in these bylaws, notices to directors and stockholders shall be in writing and, if mailed, shall be deemed given when deposited in the United States mail, postage prepaid, directed to the director or stockholder at such address as appears on the records of the corporation.

Section 2. Waiver. Whenever any notice is required to be given by law or by the certificate of incorporation or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Any person who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. In the

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case of directors, such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

## ARTICLE VI

### OFFICERS

Section 1. General. The officers of the corporation shall be elected by the Board and shall be a Chairman of the Board, a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, a Secretary, a Controller and a Treasurer. The Board may also choose one or more Assistant Secretaries and Assistant Treasurers. Two or more offices may be held by the same person, with the exception of the office of Chairman of the Board and the office of Secretary. The officers of the corporation need not be stockholders, employees or directors of the corporation.

Section 2. Election. At its first meeting held after each annual meeting of stockholders, the Board shall elect the officers of the corporation. Such officers shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier resignation or removal as hereinafter provided.

Section 3. Other Officers and Agents. The Board may appoint such other officers and agents as it shall deem necessary. Such officers and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board.

Section 4. Compensation. The salaries of all officers of the corporation shall be fixed by the Board, acting directly or through the Compensation and Succession Committee.

Section 5. Removal. Any officer elected or appointed by the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Any vacancy occurring in any office of the corporation shall be filled by the Board.

Section 6. Chairman of the Board. The Chairman of the Board shall be a member of the Board and may be an employee of the corporation. The Chairman of the Board shall preside at all meetings of the Board and of the stockholders at which he or she is present. In the absence or disability of the Chairman of the Board, the duties of the Chairman of the Board shall be performed and his or her authority shall be exercised by one of the other directors as designated for this purpose by the Board.

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Section 7. Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the corporation; shall direct, coordinate and control the corporation's business and activities and its operating expenses and capital expenditures; shall have general authority to exercise all the powers necessary for the chief executive officer of the corporation; and shall perform such other duties and have such other powers as may properly belong to his or her office or as shall be prescribed by the Board or these bylaws, all in accordance with basic policies as established by and subject to the control of the Board. In the absence or disability of the Chief Executive Officer, the duties of the Chief Executive Officer shall be performed and his or her authority shall be exercised by the President or, in the absence or inability of the President, by one of the Vice Presidents designated for this purpose by the Board. The Chief Executive Officer may be a member of the Board.

Section 8. President. The President shall be the chief operating officer of the corporation and shall have general administrative control and supervision over the operations of the corporation subject to the supervision of the Chief Executive Officer. He or she shall, in the absence or inability of the Chief Executive Officer, perform the duties and exercise the powers of the Chief Executive Officer. He or she shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the corporation. He or she shall also perform such other duties as may properly belong to his or her office or as shall be prescribed by the Chief Executive Officer or by the Board.

Section 9. Chief Financial Officer. The Chief Financial Officer of the corporation shall, under the direction of the Chief Executive Officer, be responsible for all financial and accounting matters. The Chief Financial Officer shall have such other powers and perform such other duties as the Board, the Chief Executive Officer, or these bylaws may prescribe.

Section 10. Vice Presidents. Each Vice President shall have such powers and shall perform such duties as may be assigned to him or her by the Chief Executive Officer or by the Board. In the absence or in the case of inability of the Chief Executive Officer and the President to act, the Board may designate which one of the Vice Presidents shall be the acting Chief Executive Officer of the corporation during such absence or inability, whereupon such acting Chief Executive Officer shall have all the powers and perform all of the duties incident to the office of Chief Executive Officer during the absence or inability of the Chief Executive Officer to act.

Section 11. Controller. Under the direction of the Chief Executive Officer and the Chief Financial Officer, the Controller shall have general charge, control, and supervision over the accounting and auditing affairs of the corporation. The Controller or such persons as

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the Controller shall designate shall have responsibility for the custody and safekeeping of all permanent financial and accounting records and papers of the corporation. The Controller shall have responsibility for the preparation and maintenance of the books of account and of the accounting records and papers of the corporation; shall supervise the preparation of all financial statements and reports on the operation and condition of the business; shall have responsibility for the establishment of financial procedures, records, and forms used by the corporation; shall have responsibility for the filing of all financial reports and returns, required by law; shall render to the Chief Executive Officer, the Chief Financial Officer or the Board, whenever they may require, an account of the Controller's transactions; and in general shall have such other powers and perform such other duties as are incident to the office of Controller and as the Board, the Chief Executive Officer, the Chief Financial Officer, or these bylaws may prescribe.

Section 12. Secretary. The Secretary shall attend all Board meetings and all stockholder meetings; shall record all the proceedings of the meetings of the corporation and of the Board in a book to be kept for that purpose; shall perform like duties for the standing or special committees when required; and shall have such other powers and perform such other duties as the Board, the Chairman of the Board, the Chief Executive Officer or these bylaws may prescribe. Under the Chairman of the Board's supervision, the Secretary shall give, or cause to be given, all notices required to be given by these bylaws or by law. The Secretary shall keep in safe custody the seal of the corporation, shall have the authority to affix the same to any instrument requiring it and, when so affixed, it shall be attested by his or her signature or by the signature of an Assistant Secretary.

Section 13. Assistant Secretaries. In the absence or disability of the Secretary, the Assistant Secretary or Assistant Secretaries shall perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board, the Chairman of the Board or the Chief Executive Officer may prescribe.

Section 14. Treasurer. Under the direction of the Chief Executive Officer, the Treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the Board; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; shall render to the Chief Executive Officer and the Board, at its regular meeting or when the Board so requires, an account of the Treasurer's actions; and shall have such other powers and perform such other duties as the Board, the Chief Executive Officer or these bylaws may prescribe.

Section 15. Assistant Treasurers. In the absence or disability of the Treasurer, the Assistant Treasurer or the Assistant Treasurers shall perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board or the Chief Executive Officer may prescribe.

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Section 16. Appointed Officers. The Chief Executive Officer of the corporation may establish positions and offices identified as a function, department or other organizational component of the corporation, and may appoint individuals, who need not be employees of the corporation, to occupy those positions, subject to approval of the Compensation and Succession Committee. The titles of such individuals (herein referred to as "appointed officers") may be either conventional corporate officer titles or titles designating a functional activity, but in all cases shall contain, as an integral part of the title, a reference to the function, organizational component or department within which the position is established.

Section 17. Appointment, Removal and Term of Appointed Officers. Appointed officers may be appointed by the Chief Executive Officer. The Chief Executive Officer may remove any appointed officer at any time without notice or accept such appointed officer's resignation. No term of office shall be established for any appointed officer.

Section 18. Duties of Appointed Officers. An appointed officer shall have such powers as may be assigned by the Chief Executive Officer, the Board or any committee of the Board and shall perform such duties (not including duties normally performed by an officer of the corporation) as may be assigned by the Chief Executive Officer, the Board, any committee of the Board or the officer of the corporation having management responsibility for the organizational component or function to which such appointed officer is assigned.

## ARTICLE VII

### CERTIFICATE OF STOCK

Section 1. Certificates of Stock. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the Chairman of the Board, the Chief Executive Officer or a Vice President of the corporation and by the Secretary or an Assistant Secretary of the corporation, certifying the number of shares owned by such holder in the corporation. All certificates of stock issued shall be numbered consecutively.

Section 2. Countersigned Certificates; Signature of Former Officers, Transfer Agents or Registrars. Where a certificate is countersigned by (i) a transfer agent other than the corporation or its employee or (ii) a registrar other than the corporation or its employee, any signature on the certificate may be a



facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost, Stolen or Destroyed Certificates. The Board may direct a new certificate or certificates to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board may, in its discretion as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfer of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 5. Closing of Transfer Books; Record Dates. The Board may close the stock transfer books of the corporation for a period not exceeding 60 days preceding the date of any stockholders meeting, the date for payment of any dividend, the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period not exceeding 60 nor less than ten days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books, the Board may fix in advance a date, not exceeding 60 days preceding the date of any meeting of stockholders, the date for the payment of any dividend, the date for the allotment of rights, the date when any change or conversion or exchange of capital stock shall go into effect or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, to receive payment of any such dividend, to any such allotment of rights, to exercise the rights in respect of any such change, conversion or exchange of capital stock or to give such consent. In such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, to receive payment of such dividend, to receive such allotment of rights, to exercise such rights or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date.

Section 6. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner. The corporation shall be entitled to hold liable for calls and assessments a person registered on its books as the owner of shares. The corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person or persons, except as otherwise provided by the General Corporation Law of the State of Delaware.

Section 7. Stock Subscriptions. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the Board. Any call made by the Board for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

## ARTICLE VIII

### GENERAL PROVISIONS

Section 1. Dividends. Subject to the provisions of the certificate of incorporation, any dividends upon the corporation's capital stock may be declared by the Board at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Reserves. Before payment of any dividend, there may be set aside, out of any funds of the corporation available for dividends, such sum or sums as the directors, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, for equalizing dividends, for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation. The directors may modify or abolish any such reserve in the manner in which it is created.

Section 3. Checks. All checks or demands for money and notes of the corporation shall be signed by such person or persons as shall be designated by the Board or by such officer or officers of the corporation as shall be appointed for that purpose by the Board.

Section 4. Fiscal Year. The fiscal year of the corporation shall be the calendar year, unless otherwise fixed by resolution of the Board.

Section 5. Seal. The corporate seal shall have inscribed thereon the name of the corporation and shall be in such form as may be approved by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 6. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which

authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 7. Inconsistent Provisions; Titles. In the event that any provision of these bylaws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect. The section titles contained in these bylaws are for convenience only and shall be without substantive meaning or content of any kind whatsoever.

Section 8. Writing and Signing; Electronic Transmission. Whenever any provision of these bylaws specifies that a writing is required or permitted to take action or to give notice, such action or notice may also be accomplished by electronic transmission. Electronic transmission means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such recipient through an automated process. If an electronic transmission is used to satisfy any provision of these bylaws that specifies that a writing is required or permitted to take action or to give notice and these bylaws require that such writing be signed by a particular person, such electronic transmission need not be signed but must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by that person.

An electronic transmission shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the director or stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the director or stockholder has consented to receive notice; (iii) if by posting on an electronic network together with separate notice to the director or stockholder of such specific posting, upon the later of (a) such posting or (b) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the director or stockholder.

## ARTICLE IX

### AMENDMENTS

Section 1. Amendments. These bylaws may be amended or repealed by the vote of a majority of the directors present at any meeting at which a quorum is present or by the affirmative vote of the holders of not less than that percentage of the total number of votes entitled to be cast generally in the election of directors required for such amendment by the provisions of the corporation's Certificate of Incorporation.

**THE ALLSTATE CORPORATION  
2001 EQUITY INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

[Date]

[Name]  
[Address]  
[City]

In accordance with the terms of The Allstate Corporation 2001 Equity Incentive Plan (the "Plan"), pursuant to action of the Compensation and Succession Committee of the Board of Directors, The Allstate Corporation hereby grants to you (the "Participant"), subject to the terms and conditions set forth in this Restricted Stock Unit Award Agreement (including Annex A hereto and all documents incorporated herein by reference), Restricted Stock Units (RSUs), as set forth below. Each RSU corresponds to one share of Stock. An RSU is an unfunded and unsecured promise to deliver one share of Stock on the Conversion Date or as otherwise provided herein. Until such delivery, you have only the rights of a general unsecured creditor of Allstate and not as a stockholder with respect to the shares of Stock underlying your RSUs.

Number of RSUs Granted:

Date of Grant:

Period of Restriction:

Conversion Date: Each RSU will convert to one share of Stock on the date the restrictions lapse with respect to that RSU (the "Conversion Date").

Dividend  
Equivalent Right: Each RSU shall include a Dividend Equivalent Right.

Further terms and conditions of the Award are set forth in Annex A hereto, which is an integral part of this RSU Award Agreement.

All terms, provisions and conditions applicable to the Restricted Stock Unit Award set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern.

Thomas J. Wilson  
Chairman, President and Chief  
Executive Officer  
THE ALLSTATE CORPORATION

Attachment: Annex A

**ANNEX A**

**TO**

**THE ALLSTATE CORPORATION  
2001 EQUITY INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Further Terms and Conditions of Award. It is understood and agreed that the Award of RSUs evidenced by the RSU Award Agreement to which this is annexed is subject to the following additional terms and conditions:

1. Tax Withholding. With respect to the minimum statutory tax withholding required upon the lapse of restrictions on the RSUs, the Participant may elect to satisfy such withholding requirements by tender of previously-owned shares of Stock or by having the Company withhold shares of Stock upon the Conversion Date.

[2. Termination of Employment. Except as otherwise specifically provided in Section 3 below, upon the Participant's Termination of Employment, all unvested RSUs shall be treated as follows, subject, however, to the Compensation and Succession Committee's right to determine otherwise at any time: (a) if the Participant's Termination of Employment is on account of Retirement at the Normal Retirement Date, then no unvested RSUs shall be forfeited and such unvested RSUs will remain subject to the restriction period set forth on the first page of this RSU Award Agreement; and (b) if the Participant's Termination of Employment is on account of any other reason, then all unvested RSUs shall be forfeited as of the end of the day of such Termination of Employment.](1)

[2. Termination of Employment. Except as otherwise specifically provided in Section 3 below, upon the Participant's Termination of Employment, all unvested RSUs shall be treated as follows, subject, however, to the Compensation and Succession Committee's right to determine otherwise at any time: (a) if the Participant's Termination of Employment is on account of Retirement at the Normal Retirement Date, then no unvested RSUs shall be forfeited and such unvested RSUs will remain subject to the restriction period set forth on the first page of this RSU Award Agreement; provided further, that if the Participant dies following such Retirement and before the end of the restriction period, then all unvested RSUs shall immediately become nonforfeitable and the restrictions with respect to the RSUs shall lapse as of the date of death; (b) if the Participant's Termination of Employment is on account of death, then all unvested RSUs shall immediately become nonforfeitable and the restrictions with respect to the RSUs shall lapse as of the date of death; and (c) if

the Participant's Termination of Employment is on account of any other reason, then all unvested RSUs shall be forfeited as of the end of the day of such Termination of Employment.](2)

(b) 3. Change of Control. Except as otherwise specifically provided in The Allstate Corporation Change of Control Severance Plan (to the extent such Plan is applicable to the Participant) or another written agreement with the Company or to which the Participant is a party, the unvested RSUs shall become nonforfeitable and the restrictions to which the RSU are then subject shall immediately lapse on the date of a Change of Control, as defined in Section 9.

(1) This text applies to awards granted before February 21, 2006.

(2) This text applies to awards granted on or after February 21, 2006.

4. Conversion Date. Unless otherwise determined by the Board, a Participant shall be entitled to delivery of shares of Stock that underlie the RSUs then outstanding upon the date the restrictions lapse with respect to such RSU.

5. Dividend Equivalent Right. During the Period of Restriction, each RSU entitles a Participant to receive a cash amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of each share of Stock underlying such RSU in accordance with the following schedule:

<u>Regular Dividend Payment ("RDP"), if any</u>	<u>Dividend Equivalent Payment Date</u>
1 <sup>st</sup> Quarter	January 1 through March 31 of the year RDP paid
2 <sup>nd</sup> Quarter	April 1 through June 30 of the year RDP paid
3 <sup>rd</sup> Quarter	July 1 through September 30 of the year RDP paid
4 <sup>th</sup> Quarter	October 1 through December 31 of the year RDP paid

Cash payment with respect to a Dividend Equivalent right shall be made only with respect to such RSUs that are outstanding on the dividend record date.

6. Ratification of Actions. By accepting the RSU Award or other benefit under the Plan, the Participant and each person claiming under or through him shall be conclusively deemed to have indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the RSU Award by the Company, the Board or the Compensation and Succession Committee.

7. Notices. Any notice hereunder to the Company shall be addressed to its Stock Option Record Office and any notice hereunder to the Participant shall be addressed to him or her at the address specified on this RSU Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

8. Governing Law and Severability. To the extent not preempted by Federal law, the RSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of this RSU Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this RSU Award Agreement, and this RSU Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

9. Definitions. In addition to the following definitions, capitalized terms not otherwise defined herein shall have the meanings given them in the Plan.

"Board Turnover" – see clause (c) of the definition of "Change of Control."

"Change of Control" means, except as otherwise provided at the end of this definition, the occurrence of any one or more of the following(3):

(a) (Voting Power) any Person or group (as such term is defined in Treasury Regulation Section

(3) The highlighted language conforms with Section 409A of the Internal Revenue Code. Provisions pertaining to the former definition of change of control have been omitted from this draft.

1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons, ownership of stock of the Company possessing 30% or more of the combined voting power of all Voting Securities of the Company (such a Person or group that is not a Similarly Owned Company (as defined below), a "More than 30% Owner"), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a corporation with respect to which both more than 70% of the common stock of such corporation and Voting Securities representing more than 70% of the combined voting power of the Voting Securities of such corporation are then owned, directly or indirectly, by the Persons who were the direct or indirect owners of the common stock and Voting Securities of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the common stock and Voting Securities of the Company, as the case may be (a "Similarly Owned Company"); or

(b) (Majority Ownership) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires ownership of more than 50% of the voting power of all Voting Securities of the Company or of the total fair market value of the stock of the Company (such a Person or group that is not

a Similarly Owned Company, a “Majority Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a Similarly Owned Company; or

(c) (*Board Composition*) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election (“Board Turnover”); or

(d) (*Reorganization*) the consummation of a merger, reorganization, consolidation, or similar transaction, or of a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company, or a plan of liquidation of the Company (any of the foregoing, a “Reorganization Transaction”) that, does not qualify as an Exempt Reorganization Transaction.

Notwithstanding anything contained herein to the contrary: (i) no transaction or event shall constitute a Change of Control for purposes of this Agreement unless the transaction or event constituting the Change of Control also constitutes a change in the ownership of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(v)), a change in effective control of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)) or a change in the ownership of a substantial portion of the assets of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)); and (ii) no sale or disposition of one or more Subsidiaries (“Sale Subsidiary”) or the assets thereof shall constitute a Change of Control for purposes of this Agreement if the investments in and advances by the Company and its Subsidiaries (other than the Sale Subsidiaries) to such Sale Subsidiary as of immediately prior to the sale or disposition determined in accordance with Generally Accepted Accounting Principles (“GAAP”) (but after intercompany eliminations and net of the effect of intercompany reinsurance) are less than 51% of the Consolidated Total Shareholders’ Equity of the Company as of immediately prior to the sale or disposition. Consolidated Total Shareholders’ Equity means, at any date, the total shareholders’ equity of the Company and its Subsidiaries at such date, as reported in the consolidated financial statements prepared in accordance with GAAP.

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“Exempt Reorganization Transaction” means a Reorganization Transaction that fails to result in (a) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) becoming a More than 30% Owner or a Majority Owner, (b) Board Turnover, or (c) a sale or disposition to any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) of the assets of the Company that have a total Gross Fair Market Value (as defined below) equal to at least forty percent (40%) of the total Gross Fair Market Value of all of the assets of the Company immediately before such transaction. “Gross Fair Market Value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

“Majority Owner” – see clause (b) of the definition of “Change of Control.”

“More than 30% Owner” – see clause (a) of the definition of “Change of Control.”

“Reorganization Transaction” – see clause (d) of the definition of “Change of Control.”

“Similarly Owned Company” – see clause (a) of the definition of “Change of Control.”

“Voting Securities” of a corporation means securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

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respect to the RSUs shall lapse as of the date of death; and (c) if the Participant's Termination of Employment is on account of any other reason, then all unvested RSUs shall be forfeited as of the end of the day of such Termination of Employment.

3. **Change of Control.** Except as otherwise specifically provided in a written agreement with the Company to which the Participant is a party, the unvested RSUs shall become nonforfeitable and the restrictions to which the RSUs are then subject shall immediately lapse on the date of a Change of Control, as defined in Section 9.

4. **Conversion Date.** Unless otherwise determined by the Board, a Participant shall be entitled to delivery of shares of Stock that underlie the RSUs then outstanding on the day following the date the restrictions lapse with respect to such RSU.

5. **Dividend Equivalent Right.** During the Period of Restriction, each RSU entitles a Participant to receive a cash amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of each share of Stock underlying such RSU in accordance with the following schedule:

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<b>Regular Dividend Payment ("RDP"), if any</b>	<b>Dividend Equivalent Payment Date</b>
1 <sup>st</sup> Quarter	January 1 through March 31 of the year RDP paid
2 <sup>nd</sup> Quarter	April 1 through June 30 of the year RDP paid
3 <sup>rd</sup> Quarter	July 1 through September 30 of the year RDP paid
4 <sup>th</sup> Quarter	October 1 through December 31 of the year RDP paid

Cash payment with respect to a Dividend Equivalent right shall be made only with respect to such RSUs that are outstanding on the dividend record date.

6. **Ratification of Actions.** By accepting the RSU Award or other benefit under the Plan, the Participant and each person claiming under or through him shall be conclusively deemed to have indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the RSU Award by the Company, the Board or the Compensation and Succession Committee.

7. **Notices.** Any notice hereunder to the Company shall be addressed to its Stock Option Record Office and any notice hereunder to the Participant shall be addressed to him or her at the address specified on this RSU Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

8. **Governing Law and Severability.** To the extent not preempted by Federal law, the RSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of this RSU Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this RSU Award Agreement, and this RSU Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

9. **Definitions.** In addition to the following definitions, capitalized terms not otherwise defined herein shall have the meanings given them in the Plan.

"**Board Turnover**" – see clause (c) of the definition of "Change of Control."

"**Change of Control**" means, except as otherwise provided at the end of this definition, the occurrence of any one or more of the following:

(a) (**Voting Power**) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons, ownership of stock of the Company possessing 30% or more of the combined voting power of all Voting Securities of the Company (such a Person or group that is not a Similarly Owned Company (as defined below), a "**More than 30% Owner**"), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a corporation with respect to which both more than 70% of the common stock of such corporation and Voting Securities representing more than 70% of the combined voting power of the Voting Securities of such corporation are then owned, directly or indirectly, by the Persons who were the direct or indirect owners of the common stock and Voting Securities of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the common stock and Voting Securities of the Company, as the case may be (a "**Similarly Owned Company**"); or

(b) (**Majority Ownership**) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires ownership of more than 50% of the voting power of all Voting Securities of the Company or of the total fair market value of the stock of the Company (such a Person or group that is not a Similarly Owned Company, a "**Majority Owner**"), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a Similarly Owned Company; or

(c) (**Board Composition**) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election ("**Board Turnover**"); or

(d) (**Reorganization**) the consummation of a merger, reorganization, consolidation, or similar transaction, or of a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company, or a plan of liquidation of the Company (any of the foregoing, a "**Reorganization Transaction**") that, does not qualify as an Exempt Reorganization Transaction.

Notwithstanding anything contained herein to the contrary: (i) no transaction or event shall constitute a Change of Control for purposes of this Agreement unless the transaction or event constituting the Change of Control also constitutes a change in the ownership of a corporation (as defined in Treasury

Regulation Section 1.409A-3(i)(5)(v)), a change in effective control of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)) or a change in the ownership of a substantial portion of the assets of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)); and (ii) no sale or disposition of one or more Subsidiaries (“Sale Subsidiary”) or the assets thereof shall constitute a Change of Control for purposes of this Agreement if the investments in and advances by the Company and its Subsidiaries (other than the Sale Subsidiaries) to such Sale Subsidiary as of immediately prior to the sale or disposition determined in accordance with Generally Accepted Accounting Principles (“GAAP”) (but after intercompany eliminations and net of the effect of intercompany reinsurance) are less than 51% of the Consolidated Total Shareholders’ Equity of the Company as of immediately prior to the sale or disposition. Consolidated Total Shareholders’ Equity means, at any date, the total shareholders’ equity of the Company and its Subsidiaries at such date, as reported in the consolidated financial statements prepared in accordance with GAAP.

“Exempt Reorganization Transaction” means a Reorganization Transaction that fails to result in (a) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) becoming a More than 30% Owner or a Majority Owner, (b) Board Turnover, or (c) a sale or disposition to any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) of the assets of the Company that have a total Gross Fair Market Value (as defined below) equal to at least forty percent (40%) of the total Gross Fair Market Value of all of the assets of the Company immediately before such transaction.

“Gross Fair Market Value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

“Majority Owner” – see clause (b) of the definition of “Change of Control.”

“More than 30% Owner” – see clause (a) of the definition of “Change of Control.”

“Reorganization Transaction” – see clause (d) of the definition of “Change of Control.”

“Similarly Owned Company” – see clause (a) of the definition of “Change of Control.”

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“Voting Securities” of a corporation means securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

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2. Termination of Employment. Except as otherwise specifically provided in Section 4 of this Annex A with respect to vesting, in The Allstate Corporation Change of Control Severance Plan (to the extent such plan is applicable to the Participant) or in another written agreement with the Company to which the Participant is a party, if the Participant has a Termination of Employment, the following provisions shall apply:(1)

2. Termination of Employment. Except as otherwise specifically provided in Section 4 below upon the Participant's Termination of Employment, the following provisions shall apply:(2)

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(1) This text applies to Awards granted on or before December 31, 2008.

(2) This text applies to Awards granted after December 31, 2008.

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(i) if the Participant's Termination of Employment is on account of death or Disability, then the Option, to the extent not vested, shall vest, and the Option may be exercised, in whole or in part, by the Participant (or his personal representative, estate or transferee, as the case may be) at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the second anniversary of the date of such Termination of Employment;

(ii) if the Participant's Termination of Employment is on account of Retirement at the Normal Retirement Date or Health Retirement Date, the Option to the extent it is not vested, shall continue to vest in accordance with its terms, and when vested, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the fifth anniversary of the date of such Termination of Employment;

(iii) if the Participant's Termination of Employment is on account of Retirement at the Early Retirement Date, any portion of the Option that is not vested shall be forfeited, and the Option, to the extent it is vested on the date of Termination of Employment, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the fifth anniversary of the date of such Termination of Employment;

(iv) if the Participant's Termination of Employment is for any other reason, any portion of the Option that is not vested shall be forfeited, and the Option, to the extent it is vested on the date of Termination of Employment, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) three months after the date of such Termination of Employment; and

(v) if (A) the Participant's Termination of Employment is for any reason other than death and (B) the Participant dies after such Termination of Employment but before the date the Option must be exercised as set forth in the preceding subsections, any portion of the Option that is not vested shall be forfeited and the Option, to the extent it is vested on the date of the Participant's death, may be exercised, in whole or in part, by the Participant's personal representative, estate or transferee, as the case may be, at any time on or before the earliest to occur of (x) the Expiration Date of the Option, (y) the second anniversary of the date of death and (z) the applicable anniversary of the Termination of Employment as set forth in subsections (i) through (iv) above.

3. Transferability of Options. Except as set forth in this Section 3, the Option shall be exercisable during the Participant's lifetime only by the Participant, and may not be assigned or transferred other than by will or the laws of descent and distribution. The Option, to the extent vested, may be transferred by the Participant during his lifetime to any "Family Member." A transfer of the Option pursuant to this Section 3 may only be effected by the Company at the written request of a Participant and shall be effective only when recorded in the Company's record of outstanding Options. Such transferred Option may not be subsequently transferred by the transferee except by will or the laws of descent and distribution. A transferred Option shall continue to be governed by and subject to the terms and limitations of the Plan and this Option Award Agreement, and the transferee shall be entitled to the same rights as the Participant, as if no transfer had taken place. In no event shall an Option be transferred for consideration.

4. Change of Control. Except as otherwise specifically provided in a written agreement with the Company to which the Participant is a party, the Option, to the extent not vested, shall vest on the date of a Change of Control, as defined in Section 8, and the Option may be exercised in whole or in part, subject to the time periods for exercise set forth in Section 2 of this Annex A.

5. Ratification of Actions. By accepting the Award or other benefit under the Plan, the Participant and each person claiming under or through him shall be conclusively deemed to have

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indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the Award by the Company, the Board or the Compensation and Succession Committee.

6. Notices. Any notice hereunder to the Company shall be addressed to its Stock Option Record Office and any notice hereunder to the Participant shall be addressed to him at the address specified on this Option Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

7. Governing Law and Severability. To the extent not preempted by Federal law, this Option Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of the Option Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Option Award Agreement, and this Option Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

8. Definitions. In addition to the following definitions, capitalized terms not otherwise defined herein shall have the meanings given them in the Plan.

"Board Turnover" – see clause (c) of the definition of "Change of Control."

"Change of Control" means, except as otherwise provided at the end of this definition, the occurrence of any one or more of the following(3):

(a) (*Voting Power*) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons, ownership of stock of the Company possessing 30% or more of the combined voting power of all Voting Securities of the Company (such a Person or group that is not a Similarly Owned Company (as defined below), a “More than 30% Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a corporation with respect to which both more than 70% of the common stock of such corporation and Voting Securities representing more than 70% of the combined voting power of the Voting Securities of such corporation are then owned, directly or indirectly, by the Persons who were the direct or indirect owners of the common stock and Voting Securities of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the common stock and Voting Securities of the Company, as the case may be (a “Similarly Owned Company”); or

(b) (*Majority Ownership*) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires ownership of more than 50% of the voting power of all Voting Securities of the Company or of the total fair market value of the stock of the Company (such a Person or group that is not a Similarly Owned Company, a “Majority Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a Similarly Owned Company; or

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(3) The highlighted language conforms with Section 409A of the Internal Revenue Code. Provisions pertaining to the former definition of change of control have been omitted from this draft.

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(c) (*Board Composition*) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election (“Board Turnover”); or

(d) (*Reorganization*) the consummation of a merger, reorganization, consolidation, or similar transaction, or of a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company, or a plan of liquidation of the Company (any of the foregoing, a “Reorganization Transaction”) that, does not qualify as an Exempt Reorganization Transaction.

Notwithstanding anything contained herein to the contrary: (i) no transaction or event shall constitute a Change of Control for purposes of this Agreement unless the transaction or event constituting the Change of Control also constitutes a change in the ownership of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(v)), a change in effective control of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)) or a change in the ownership of a substantial portion of the assets of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)); and (ii) no sale or disposition of one or more Subsidiaries (“Sale Subsidiary”) or the assets thereof shall constitute a Change of Control for purposes of this Agreement if the investments in and advances by the Company and its Subsidiaries (other than the Sale Subsidiaries) to such Sale Subsidiary as of immediately prior to the sale or disposition determined in accordance with Generally Accepted Accounting Principles (“GAAP”) (but after intercompany eliminations and net of the effect of intercompany reinsurance) are less than 51% of the Consolidated Total Shareholders’ Equity of the Company as of immediately prior to the sale or disposition. Consolidated Total Shareholders’ Equity means, at any date, the total shareholders’ equity of the Company and its Subsidiaries at such date, as reported in the consolidated financial statements prepared in accordance with GAAP.

“Exempt Reorganization Transaction” means a Reorganization Transaction that fails to result in (a) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) becoming a More than 30% Owner or a Majority Owner, (b) Board Turnover, or (c) a sale or disposition to any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) of the assets of the Company that have a total Gross Fair Market Value equal to at least forty percent (40%) of the total Gross Fair Market Value of all of the assets of the Company immediately before such transaction.

“Gross Fair Market Value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

“Majority Owner” – see clause (b) of the definition of “Change of Control.”

“More than 30% Owner” – see clause (a) of the definition of “Change of Control.”

“Reorganization Transaction” – see clause (d) of the definition of “Change of Control.”

“Similarly Owned Company” – see clause (a) of the definition of “Change of Control.”

“Voting Securities” of a corporation means securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

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**THE ALLSTATE CORPORATION  
AMENDED AND RESTATED 2001 EQUITY INCENTIVE PLAN**

**Article 1. Establishment, Purpose and Duration**

1.1 *Establishment of the Plan.* The Allstate Corporation, a Delaware corporation (hereinafter referred to as the “Company”), hereby establishes an incentive compensation plan for key employees, to be known as “The Allstate Corporation 2001 Equity Incentive Plan” (hereinafter referred to as the “Plan”), as set forth in this document. The Plan permits the grant of nonqualified stock options (NQSOs), incentive stock options (ISOs), stock appreciation rights (SARs), unrestricted stock, restricted stock, restricted stock units, performance units, performance stock and other awards.

The Plan was approved by the Board of Directors on March 13, 2001 and became effective when approved by the Company’s stockholders on May 15, 2001 (the “Effective Date”). The Plan was amended by the Board of Directors on March 9, 2004. On March 14, 2006 the Plan was amended and restated effective upon approval by stockholders at the 2006 Annual Meeting of Stockholders on May 16, 2006. The Plan was further amended and restated by the Board at meetings held on September 10, 2006, February 20, 2007, and September 15, 2008, and shall thereafter remain in effect as provided in Section 1.3 herein.

1.2 *Purpose of the Plan.* The primary purpose of the Plan is to provide a means by which key employees of the Company and its Subsidiaries can acquire and maintain stock ownership, thereby strengthening their commitment to the success of the Company and its Subsidiaries and their desire to remain employed by the Company and its Subsidiaries. The Plan also is intended to attract and retain key employees and to provide such employees with additional incentive and reward opportunities designed to encourage them to enhance the profitable growth of the Company and its Subsidiaries.

1.3 *Duration of the Plan.* The Plan shall commence on the Effective Date, as described in Section 1.1 herein, and shall remain in effect subject to the right of the Board of Directors to terminate the Plan at any time pursuant to Article 15 herein, until all Stock subject to it shall have been purchased or acquired according to the Plan’s provisions.

**Article 2. Definitions**

Whenever used in the Plan, the following terms shall have the meanings set forth below and, when such meaning is intended, the initial letter of the word is capitalized:

2.1 *Award* means, individually or collectively, a grant under the Plan of NQSOs, ISOs, SARs, Unrestricted Stock, Restricted Stock, Restricted Stock Units, Performance Units, Performance Stock or any other type of award permitted under Article 10 of the Plan.

2.2 *Award Agreement* means an agreement setting forth the terms and provisions applicable to an Award granted to a Participant under the Plan.

2.3 *Base Value* of an SAR means the Fair Market Value of a share of Stock on the date the SAR is granted.

2.4 *Board* or *Board of Directors* means the Board of Directors of the Company.

2.5 *Code* means the Internal Revenue Code of 1986, as amended from time to time.

2.6 *Committee* means the committee, as specified in Article 3, appointed by the Board to administer the Plan.

2.7 *Company* means The Allstate Corporation, a Delaware corporation, or any successor thereto as provided in Article 18 herein.

2.8 *Covered Employee* means any Participant who would be considered a “covered employee” for purposes of Section 162(m) of the Code.

2.9 *Disability* means an impairment which renders a Participant disabled within the meaning of Code Section 409A(a)(2)(C).

2.10 *Dividend Equivalent* means, with respect to Stock subject to an Award, a right to be paid an amount equal to dividends declared on an equal number of outstanding shares of Stock.

2.11 *Eligible Person* means a Person who is eligible to participate in the Plan, as set forth in Section 5.1 herein.

2.12 *Employee* means an individual who is paid on the payroll of the Company or of one of the Company’s Subsidiaries, who is not covered by any collective bargaining agreement to which the Company or any of its Subsidiaries is a party, and is classified on the employer’s human resource payroll system as a regular full-time or regular part-time employee.

2.13 *Exchange Act* means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.14 *Exercise Period* means the period during which an SAR or Option is exercisable, as set forth in the related Award Agreement.

2.15 *Fair Market Value*, means the price at which a share of the Stock was last sold in the principal United States market for the Stock as of the date for which fair market value is being determined, which in the case of Restricted Stock or Restricted Stock Units is the last day of the Period of Restriction.

2.16 *Family Member* means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, or sibling, including adoptive relationships, a trust in which these persons have more than fifty (50) percent of the beneficial interest, a foundation in which these persons (or the Employee) control the

management of assets, and any other entity in which these persons (or the Employee) own more than fifty (50) percent of the voting interests.

2.17 *Freestanding SAR* means an SAR that is not a Tandem SAR.

2.18 *Incentive Stock Option* or *ISO* means an option to purchase Stock, granted under Article 6 herein, which is designated as an Incentive Stock Option and satisfies the requirements of Section 422 of the Code.

2.19 *Minimum Consideration* means the \$.01 par value per share or such larger amount determined pursuant to resolution of the Board to be capital within the meaning of Section 154 of the Delaware General Corporation Law.

2.20 *Nonqualified Stock Option* or *NQSO* means an option to purchase Stock, granted under Article 6 herein, which is not intended to be an Incentive Stock Option under Section 422 of the Code.

2.21 *Option* means an Incentive Stock Option or a Nonqualified Stock Option.

2.22 *Option Exercise Price* means the price at which a share of Stock may be purchased by a Participant pursuant to an Option, as determined by the Committee and set forth in the Option Award Agreement.

2.23 *Participant* means an Eligible Person who has outstanding an Award granted under the Plan.

2.24 *Performance Goals* means the performance goals established by the Committee, which shall be based on one or more of the following measures: sales or revenues, earnings per share, stockholder return and/or value, funds from operations, operating income, gross income, net income, combined ratio, underwriting income, cash flow, return on equity, return on capital, return on assets, net earnings, earnings before interest, operating ratios, stock price, customer satisfaction, customer retention, accomplishment of mergers, acquisitions, dispositions or similar extraordinary business transactions, profit returns and margins, financial return ratios and/or market performance. Performance goals may be measured solely on a corporate, subsidiary or business unit basis, or a combination thereof. Performance goals may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or other external measure.

2.25 *Performance Period* means the time period during which Performance Unit/Performance Stock Performance Goals must be met.

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2.26 *Performance Stock* means an Award described in Article 9 herein.

2.27 *Performance Unit* means an Award described in Article 9 herein.

2.28 *Period of Restriction* means the period during which the transfer of Restricted Stock or Restricted Stock Units is limited in some way, as provided in Article 8 herein.

2.29 *Person* means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

2.30 *Plan* means The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan.

2.31 *Qualified Restricted Stock* means an Award of Restricted Stock designated as Qualified Restricted Stock by the Committee at the time of grant and intended to qualify for the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C).

2.32 *Qualified Restricted Stock Unit* means an Award of Restricted Stock Units designated as Qualified Restricted Stock Units by the Committee at the time of grant and intended to qualify for the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C).

2.33 *Reload Option* means an additional Option related to Options awarded prior to 2004 as described in Article 6 herein.

2.34 *Restricted Stock* means an Award described in Article 8 herein.

2.35 *Restricted Stock Unit* means an Award described in Article 8 herein.

2.36 *Retirement* means a Participant's termination from employment with the Company or a Subsidiary at the Participant's Early, Normal or Health Retirement Date, as applicable.

(a) *Early Retirement Date* — shall mean the date prior to the Participant's Normal Retirement Date on which a Participant terminates employment, if such termination date occurs on or after the Participant attains age fifty-five (55) with twenty (20) years of service and such retirement is in accordance with the voluntary early retirement policy of the Company or the Subsidiary with which the Participant is employed on the date of termination of employment.

(b) *Normal Retirement Date* — shall have the meaning given to it by the Company or the Subsidiary with which the Participant is employed on the

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date of termination of employment, provided that such termination is voluntary and occurs on or after the Participant attains age sixty (60) with at least one (1) year of service at termination of employment.

(c) *Health Retirement Date* — shall mean the date on which the Participant terminates employment for health reasons (as determined under the human resource policy of the Company or the Subsidiary with which the Participant is employed on the date of termination of employment), provided that such termination date occurs on or after the Participant attains age fifty (50) but before the Participant attains age sixty (60), with at least ten (10) years of continuous service at termination of employment.

2.37 *Section 409A* shall have the meaning set forth in Section 19.5 herein.

2.38 *Securities Act* means the Securities Act of 1933, as amended.

2.39 *Stock* means the common stock, \$.01 par value, of the Company.

2.40 *Stock Appreciation Right* or SAR means a right, granted alone or in connection with a related Option, designated as an SAR, to receive a payment on the day the right is exercised, pursuant to the terms of Article 7 herein. Each SAR shall be denominated in terms of one share of Stock.

2.41 *Subsidiary* means any corporation, business trust, limited liability company or partnership with respect to which Allstate owns, directly or indirectly, Voting Securities representing more than 50% of the aggregate Voting Power of the then-outstanding Voting Securities.

2.42 *Tandem SAR* means an SAR that is granted in connection with a related Option, the exercise of which shall require forfeiture of the right to purchase Stock under the related Option (and when Stock is purchased under the Option, the Tandem SAR shall be similarly canceled).

2.43 *Termination of Employment* occurs the first day on which an individual is for any reason no longer employed by the Company or any of its Subsidiaries, or with respect to an individual who is an Employee of a Subsidiary, the first day on which the Company no longer owns, directly or indirectly, Voting Securities possessing at least 50% of the Voting Power of such Subsidiary. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Subsidiaries (or between Subsidiaries) shall not be deemed a termination of employment. Notwithstanding anything herein to the contrary, no issuance of Stock or payment of cash shall be made upon a Termination of Employment with respect to any Award that constitutes deferred compensation for purposes of Section 409A unless the Termination of Employment constitutes a “separation from service” as that term is used in Section 409A(a)(2)(A)(i) of the Code.

2.44 *Unrestricted Stock* means an Award of Stock not subject to restrictions described in Article 8 herein.

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2.45 *Voting Power* for purposes of Sections 2.41 and 2.43 means the combined voting power of the then-outstanding Voting Securities entitled to vote generally in the election of directors.

2.46 *Voting Securities* of a corporation means securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

### **Article 3. Administration**

3.1 *The Committee.* The Plan shall be administered by the Compensation and Succession Committee or such other committee (the “Committee”) as the Board of Directors shall select, consisting solely of two or more nonemployee members of the Board. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors.

3.2 *Authority of the Committee.* The Committee shall have full power except as limited by law, the Articles of Incorporation or the Bylaws of the Company, subject to such other restricting limitations or directions as may be imposed by the Board and subject to the provisions herein, to determine the Eligible Persons to receive Awards; to determine when Awards may be granted and to grant Awards under the Plan (which may include substituted Awards as described in Article 17 herein); to determine the size and types of Awards; to determine the terms and conditions of such Awards; to determine whether Performance Goals have been met; to construe and interpret the Plan and any agreement or instrument entered into under the Plan; to establish, amend or waive rules and regulations for the Plan’s administration; to amend the terms and conditions of any outstanding Award, including but not limited to amendments with respect to exercisability and non-forfeitability of Awards upon a Termination of Employment; to make such adjustments or modifications to Awards to Participants working outside the United States as are necessary or advisable to fulfill the purposes of the Plan; to accelerate the exercisability of, and to accelerate or waive any or all of the restrictions and conditions applicable to, any Award; and to authorize any action of or make any determination by the Company as the Committee shall deem necessary or advisable for carrying out the purposes of the Plan; provided, however, that the Committee may not amend the terms and conditions of any outstanding Award so as to adversely affect in any material way such Award without the written consent of the Participant holding such Award (or if the Participant is not then living, the Participant’s personal representative or estate), unless such amendment is required by applicable law; and provided, further, that any discretion exercised by the Committee pursuant to section 4.2 and the following paragraph of this section 3.2 shall not be deemed to adversely affect in any material way an Award. The Committee may designate which Subsidiaries participate in the Plan and may authorize foreign Subsidiaries to adopt plans as provided in Article 14. Further, the Committee shall interpret and make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authorities as identified hereunder.

The Committee may, in its discretion, elect at any time, should it determine it is in the best interest of the Company’s stockholders to cancel any Awards granted hereunder, to cancel all or any

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of the Awards granted hereunder and pay the holders of any such Awards an amount (payable in such proportion as the Committee may determine in cash or in Stock (valued at the Fair Market Value of a share of Stock on the date of cancellation of such Award)) equal to (i) for Options, the number of shares of Stock subject to such cancelled Option, multiplied by the amount (if any) by which the Fair Market Value of Stock on the date of cancellation of the Option exceeds the Option Exercise Price; (ii) for Restricted Stock or Performance Stock, the number of shares of Restricted Stock or Performance Stock multiplied by the Fair Market Value of Stock on the date of cancellation of the Award; and (iii) for Restricted Stock Units or Performance Units, the number of units multiplied by an amount not less than the initial value thereof; provided, however, the Committee shall not exercise discretion and pay the holder of any Award in cash or Stock to the extent such Award constitutes deferred compensation for purposes of Section 409A. Amounts payable may be prorated based

upon the number of months elapsed in any related vesting period or Performance Period, in the sole discretion of the Committee. In no event shall the Committee have the right to amend an outstanding Option Award for the sole purpose of reducing the exercise price thereof.

3.3 *Delegation of Authority.* Notwithstanding the general authority of the Committee to grant Awards under the Plan, the Board may, by resolution, expressly delegate to another committee, established by the Board and consisting of one or more employee or non-employee directors, the authority, within parameters specified by the Board, to determine the Eligible Persons to receive Awards; to determine when Awards may be granted and to grant Awards under the Plan; to determine the size and types of Awards; and to determine the terms and conditions of such Awards; provided, however that such committee may not grant Awards to Eligible Persons who (i) are subject to Section 16(a) of the Exchange Act at the time of grant, or (ii) are at the time of grant, or are anticipated to become during the term of the Award, "covered employees" as defined in Section 162(m)(3) of the Code. Such committee shall report regularly to the Committee, who shall report to the Board, regarding any Awards so granted.

3.4 *Delivery of Stock by Company; Restrictions on Stock.* Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any Stock or benefits under the Plan unless such delivery would comply with all applicable laws (including, without limitation, the Code, the Securities Act, and the Exchange Act) and applicable requirements of any securities exchange or similar entity and unless the Participant's tax obligations have been satisfied as set forth in Article 16.

The Committee may impose such restrictions on any Stock acquired pursuant to Awards under the Plan as it may deem advisable, including, without limitation, restrictions to comply with applicable Federal securities laws, with the requirements of any stock exchange or market upon which such Stock is then listed and/or traded and with any blue sky or state securities laws applicable to such Stock.

3.5 *Decisions Binding.* All determinations and decisions made by the Committee pursuant to the provisions of the Plan and all related orders or resolutions of the Board shall be final, conclusive and binding on all persons, including the Company, its stockholders, Eligible Persons,

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Employees, Participants and their estates. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award.

3.6 *Costs.* The Company shall pay all costs of administration of the Plan.

#### **Article 4. Stock Subject to the Plan**

4.1 *Number of Shares.* Subject to Section 4.2 herein, the maximum number of shares of Stock available for grant under the Plan shall be 49,000,000 plus any shares of Stock remaining available for awards pursuant to the terms of The Allstate Corporation Equity Incentive Plan. Shares of Stock underlying lapsed or forfeited Awards of Restricted Stock shall not be treated as having been issued pursuant to an Award under the Plan. Shares of Stock that are potentially deliverable under an Award that expires or is cancelled, forfeited, settled in cash or otherwise settled without delivery of shares of Stock shall not be treated as having been issued under the Plan. With respect to an SAR that is settled in Stock, the full number of shares underlying the exercised portion of the SAR shall be treated as having been issued under the Plan, regardless of the number of shares used to settle the SAR upon exercise. Shares of Stock that are tendered or withheld to satisfy tax withholding obligations related to an Award or to satisfy the Option Exercise Price related to an Option or other Award shall be deemed to be shares of Stock issued under the Plan. If, before June 30, 2003, the Option Exercise Price is satisfied by tendering Stock, only the number of shares issued net of the shares tendered shall be deemed issued under the Plan. Stock granted pursuant to the Plan may be (i) authorized but unissued shares of common stock or (ii) treasury stock.

4.2 *Adjustments in Authorized Stock and Awards.* In the event of any equity restructuring (within the meaning of Financial Accounting Standards No. 123 (revised 2004)) that causes the per share value of shares of Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, the Committee shall cause there to be made an equitable adjustment to (i) the number and kind of shares available for grant under the Plan, (ii) the number of shares or Awards that may be granted to any individual under the Plan or that may be granted pursuant to any Articles or types of Awards and (iii) the number and kind of shares or units subject to and the Option Exercise Price or Base Value (if applicable) of any then outstanding Awards of or related to shares of Stock. In the event of any other change in corporate capitalization, such as a merger, consolidation, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence shall be made as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights. In either case, any such adjustment shall be conclusive and binding for all purposes of the Plan. Unless otherwise determined by the Board upon recommendation of the Committee, the number of shares of Stock subject to an Award shall always be a whole number. In no event shall an outstanding Stock Option be amended for the sole purpose of reducing the Option Exercise Price thereof. Notwithstanding the foregoing, (i) each such adjustment with respect to an Incentive Stock Option shall comply with the rules of Section 424(a) of the Code and (ii) in no event shall any adjustment be made which would render any

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Incentive Stock Option granted hereunder to be other than an incentive stock option for purposes of Section 422 of the Code.

4.3 *Award Limitations.* Subject to Section 4.2 above, (i) the total number of shares of Stock with respect to which Options or SARs may be granted in any calendar year to any Participant shall not exceed 1,200,000 shares; (ii) the total number of shares of Qualified Restricted Stock or Qualified Restricted Stock Units that may be granted in any calendar year to any Participant shall not exceed 1,200,000 shares or Units, as the case may be; (iii) the total number of shares of Performance Stock or Performance Units that may be granted in any calendar year to any Participant shall not exceed 1,200,000 shares or Units, as the case may be; (iv) the total number of shares of Stock that are intended to qualify for deduction under Section 162(m) of the Code granted pursuant to Article 10 herein in any calendar year to any Participant shall not exceed 1,200,000 shares; (v) the total cash Award that is intended to qualify for deduction under Section 162(m) of the Code that may be paid pursuant to Article 10 herein in any calendar year to any Participant shall not exceed \$1,200,000; and (vi) the aggregate number of Dividend Equivalents that are intended to qualify for deduction under Section 162(m) of the Code that a Participant may receive in any calendar year shall not exceed 4,800,000.

No more than an aggregate of 9,000,000 shares of Stock may be granted under Article 8 and Article 10. The maximum number of shares of Stock that may be granted subject to Incentive Stock Options shall be 9,000,000 shares. The maximum number of shares of Stock that may be granted under Article 9 shall be 5,000,000 shares.

## Article 5. Eligibility and Participation

5.1 *Eligibility.* Persons eligible to participate in the Plan (“Eligible Persons”) include all key Employees of the Company and its Subsidiaries, as determined by the Committee.

5.2 *Actual Participation.* Subject to the provisions of the Plan, the Committee may, from time to time, select from all Eligible Persons those to whom Awards shall be granted.

## Article 6. Stock Options

6.1 *Grant of Options.* Subject to the terms and conditions of the Plan, Options may be granted to an Eligible Person at any time and from time to time, as shall be determined by the Committee.

The Committee shall have complete discretion in determining the number of shares of Stock subject to Options granted to each Eligible Person (subject to Article 4 herein) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such Options. The Committee may grant ISOs, NQSOs or a combination thereof.

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6.2 *Option Award Agreement.* Each Option grant shall be evidenced by an Option Award Agreement that shall specify the Option Exercise Price, the term of the Option (which shall not be greater than ten (10) years), the number of shares of Stock to which the Option pertains, the Exercise Period and such other provisions as the Committee shall determine, including but not limited to special provisions relating to a change of control. The Option Award Agreement shall also specify whether the Option is intended to be an ISO or NQSO. The Option Exercise Price shall not be less than 100% of the Fair Market Value of the Stock on the date of grant.

6.3 *Exercise of and Payment for Options.* Options granted under the Plan shall be exercisable at such times and shall be subject to such restrictions and conditions as the Committee shall in each instance approve.

A Participant may exercise an Option at any time during the Exercise Period. Options shall be exercised by the delivery of a written notice of exercise to the Company, or such method acceptable to the Company, setting forth the number of shares of Stock with respect to which the Option is to be exercised, accompanied by provision for full payment of the Stock.

The Option Exercise Price shall be payable: (i) in cash or its equivalent, (ii) by tendering (by actual delivery of shares or by attestation) previously acquired Stock (owned for at least six months) having an aggregate Fair Market Value at the time of exercise equal to the total Option Exercise Price, (iii) by broker-assisted cashless exercise, (iv) with respect to Options granted on and after May 16, 2006, by share withholding or (v) by a combination of (i), (ii), (iii) and/or (iv).

Options may not be exercised for less than 25 shares of Stock unless the exercise represents the entire remaining balance of the Award.

Stock received upon exercise of an Option may be granted subject to any restrictions deemed appropriate by the Committee.

6.4 *Reload Options Related to Options Granted Prior to 2004.* The Committee may provide in an Award Agreement with respect to an Option granted prior to 2004 that a Participant who exercises all or any portion of an Option with Stock which has a Fair Market Value equal to not less than 100% of the Option Exercise Price for such Option shall be granted, subject to Article 4, an additional option (“Reload Option”) for a number of shares of Stock equal to the sum (“Reload Number”) of the number of shares of Stock tendered in payment of the Option Exercise Price for the Options plus, if so provided by the Committee, the number of shares of Stock, if any, retained by the Company in connection with the exercise of the Options to satisfy any federal, state or local tax withholding requirements. Reload Options may not be included in any Option Awards granted in 2004 or later.

To the extent that a Reload Option is granted upon exercise of Options granted prior to 2004, the Reload Options shall be subject to the following terms and conditions:

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- (i) the grant date for each Reload Option shall be the date of exercise of the Option to which it relates;
- (ii) subject to (iii) below, the Reload Option, upon vesting, may be exercised at any time during the unexpired term of the Option to which it relates (subject to earlier termination thereof as provided in the Plan and in the applicable Award Agreement); and
- (iii) the terms of the Reload Option shall be the same as the terms of the Option to which it relates, except that (A) the Option Exercise Price shall be the Fair Market Value of the Stock on the grant date of the Reload Option and (B) the Reload Option shall be subject to new vesting provisions, commencing one (1) year after the grant date of the Reload Option and vesting upon the same schedule as the Option to which it relates.

Reload Options may not be granted to Participants who exercise Options after a Termination of Employment.

Stock subject to this Plan may be used for Reload Options granted under The Allstate Corporation Equity Incentive Plan.

6.5 *Termination.* Each Option Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant’s employment with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee (subject to applicable law), shall be included in the Option Award Agreement entered into with Participants, need not be uniform among all Options granted pursuant to the Plan or among Participants and may reflect distinctions based on the reasons for termination.

To the extent the Option Award Agreement does not set forth termination provisions, the provisions of Article 13 shall control.



6.6 *Transferability of Options.* Except as otherwise determined by the Committee, all Options granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant, and no Option granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. ISOs are not transferable other than by will or by the laws of descent and distribution. The Committee shall have the authority, in its discretion, to grant (or to sanction by way of amendment to an existing Award) Nonqualified Stock Options, the vested portions of which may be transferred by the Participant during his lifetime to any Family Member. A transfer of an Option pursuant hereto may only be effected by the Company at the written request of a Participant and shall become effective only when recorded in the Company's record of outstanding Options. In the event an Option is transferred as contemplated herein, any Reload Options associated with such transferred Option shall terminate, and such transferred Option may not be subsequently transferred by the transferee except by will or the laws of descent and distribution. Otherwise, a transferred Option shall continue to be governed by and subject to the terms and limitations of the Plan and the relevant

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Award Agreement, and the transferee shall be entitled to the same rights as the Participant, as if no transfer had taken place. In no event shall an Option be transferred for consideration.

## **Article 7. Stock Appreciation Rights**

7.1 *Grant of SARs.* Subject to the terms and conditions of the Plan, an SAR may be granted to an Eligible Person at any time and from time to time as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs or any combination of these forms of SARs.

The Committee shall have complete discretion in determining the number of SARs granted to each Eligible Person (subject to Article 4 herein) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such SARs.

7.2 *SAR Award Agreement.* Each SAR grant shall be evidenced by an SAR Award Agreement that shall specify the number of SARs granted, the Base Value, the term of the SAR (which shall not be greater than ten (10) years), the Exercise Period and such other provisions as the Committee shall determine, including but not limited to special provisions relating to a change of control.

7.3 *Exercise and Payment of SARs.* Tandem SARs may be exercised for all or part of the Stock subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to the shares of Stock for which its related Option is then exercisable.

Notwithstanding any other provision of the Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO: (i) the Tandem SAR will expire no later than the expiration of the underlying ISO; (ii) the value of the payout with respect to the Tandem SAR may be for no more than one hundred percent (100%) of the difference between the Option Exercise Price of the underlying ISO and the Fair Market Value of the shares of Stock subject to the underlying ISO at the time the Tandem SAR is exercised; (iii) the Tandem SAR may be exercised only when the Fair Market Value of the shares of Stock subject to the ISO exceeds the Option Exercise Price of the ISO; and (iv) the Tandem SAR may be transferred only when the underlying ISO is transferable, and under the same conditions.

Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes upon them.

A Participant may exercise an SAR at any time during the Exercise Period. SARs shall be exercised by the delivery of a written notice of exercise to the Company, setting forth the number of SARs being exercised. Upon exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount equal to the product of:

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- (a) the excess of (i) the Fair Market Value of a share of Stock on the date of exercise over (ii) the Base Value multiplied by
- (b) the number of shares of Stock with respect to which the SAR is exercised.

At the sole discretion of the Committee, the payment to the Participant upon SAR exercise may be in cash, in shares of Stock of equivalent value or in some combination thereof.

7.4 *Termination.* Each SAR Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the SAR Award Agreement entered into with Participants, need not be uniform among all SARs granted pursuant to the Plan or among Participants and may reflect distinctions based on the reasons for termination.

To the extent the SAR Award Agreement does not set forth termination provisions, the provisions of Article 13 shall control.

7.5 *Transferability of SARs.* Except as otherwise determined by the Committee, all SARs granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant or his or her legal representative, and no SAR granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. To the extent the Committee permits the transfer of an SAR, in no event shall an SAR be transferred for consideration.

## **Article 8. Unrestricted Stock, Restricted Stock and Restricted Stock Units**

8.1 *Grant of Unrestricted Stock, Restricted Stock and Restricted Stock Units.* Subject to the terms and conditions of the Plan, Unrestricted Stock, Restricted Stock and/or Restricted Stock Units may be granted to an Eligible Person at any time and from time to time, as shall be determined by the Committee.

The Committee shall have complete discretion in determining the number of shares of Unrestricted Stock, Restricted Stock and/or Restricted Stock Units granted to each Eligible Person (subject to Article 4 herein) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such Awards.

In addition, the Committee may, prior to or at the time of grant, designate an Award of Restricted Stock or Restricted Stock Units as Qualified Restricted Stock or Qualified Restricted Stock Units, as the case may be, in which event it will condition the grant or vesting, as applicable, of such Qualified Restricted Stock or Qualified Restricted Stock Units, as the case may be, upon the attainment of the Performance Goals selected by the Committee.

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8.2 *Unrestricted Stock, Restricted Stock/Restricted Stock Unit Award Agreement.* Each grant of Unrestricted Stock, Restricted Stock and/or Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the number of shares of Unrestricted Stock, Restricted Stock and/or Restricted Stock Units granted, the initial value (if applicable), the Period or Periods of Restriction (if applicable), and such other provisions as the Committee shall determine, including but not limited to special provisions relating to a change of control.

8.3 *Transferability.* Restricted Stock and Restricted Stock Units granted hereunder may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Award Agreement. During the applicable Period of Restriction, all rights with respect to the Restricted Stock and Restricted Stock Units granted to a Participant under the Plan shall be available during his or her lifetime only to such Participant or his or her legal representative.

8.4 *Certificates.* No certificates representing Stock shall be delivered to a Participant until such time as all restrictions applicable to such shares have been satisfied.

8.5 *Removal of Restrictions.* Restricted Stock shall become freely transferable by the Participant after the last day of the Period of Restriction applicable thereto. Once Restricted Stock is released from the restrictions, the Participant shall be entitled to receive a certificate.

Payment of Restricted Stock Units shall be made after the last day of the Period of Restriction applicable thereto. The Committee, in its sole discretion, may pay Restricted Stock Units in cash or in shares of Stock of equivalent value (or in some combination thereof).

8.6 *Voting Rights.* During the Period of Restriction, Participants may exercise full voting rights with respect to the Restricted Stock.

8.7 *Dividends and Other Distributions.* Subject to the Committee's right to determine otherwise at the time of grant, during the Period of Restriction, Participants shall receive all regular cash dividends paid with respect to the Restricted Stock while they are so held. All other distributions paid with respect to such Restricted Stock shall be credited to Participants subject to the same restrictions on transferability and forfeitability as the Restricted Stock with respect to which they were paid and shall be paid to the Participant promptly after the full vesting of the Restricted Stock with respect to which such distributions were made.

Rights, if any, to Dividend Equivalents on Restricted Stock Units shall be established by the Committee at the time of grant and set forth in the Award Agreement.

8.8 *Termination.* Each Restricted Stock/Restricted Stock Unit Award Agreement shall set forth the extent to which the Participant shall have the right to receive Restricted Stock and/or a Restricted Stock Unit payment following termination of the Participant's employment with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Participants, need not be

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uniform among all grants of Restricted Stock/Restricted Stock Units or among Participants and may reflect distinctions based on the reasons for termination.

To the extent the Restricted Stock/Restricted Stock Unit Award Agreement does not set forth termination provisions, the provisions of Article 13 shall control.

## **Article 9. Performance Units and Performance Stock**

9.1 *Grant of Performance Units and Performance Stock.* Subject to the terms and conditions of the Plan, Performance Units and/or Performance Stock may be granted to an Eligible Person at any time and from time to time, as shall be determined by the Committee.

The Committee shall have complete discretion in determining the number of Performance Units and/or shares of Performance Stock granted to each Eligible Person (subject to Article 4 herein) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such Awards.

9.2 *Performance Unit/Performance Stock Award Agreement.* Each grant of Performance Units and/or shares of Performance Stock shall be evidenced by a Performance Unit and/or Performance Stock Award Agreement that shall specify the number of Performance Units and/or shares of Performance Stock granted, the initial value (if applicable), the Performance Period, the Performance Goals and such other provisions as the Committee shall determine, including but not limited to special provisions relating to a change of control and any rights to Dividend Equivalents.

9.3 *Value of Performance Units/Performance Stock.* Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. The value of a share of Performance Stock shall be equal to the Fair Market Value of the Stock. The Committee shall set Performance Goals in its discretion which, depending on the extent to which they are met, will determine the number and/or value of Performance Units/Performance Stock that will be paid out to the Participants.

9.4 *Earning of Performance Units/Performance Stock.* After the applicable Performance Period has ended, the Participant shall be entitled to receive a payout with respect to the Performance Units/Performance Stock earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals have been achieved.

9.5 *Form and Timing of Payment of Performance Units/Performance Stock.* Payment of earned Performance Units/Performance Stock shall be made following the close of the applicable Performance Period. The Committee, in its sole discretion, may pay earned Performance Units/Performance Stock

in cash or in Stock (or in a combination thereof), which has an aggregate Fair Market Value equal to the value of the earned Performance Units/Performance Stock at the close of the applicable Performance Period. Such Stock may be granted subject to any restrictions deemed appropriate by the Committee.

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9.6 *Termination.* Each Performance Unit/Performance Stock Award Agreement shall set forth the extent to which the Participant shall have the right to receive a Performance Unit/Performance Stock payment following termination of the Participant's employment with the Company and its Subsidiaries during a Performance Period. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Participants, need not be uniform among all grants of Performance Units/Performance Stock or among Participants and may reflect distinctions based on reasons for termination.

To the extent the Performance Unit/Performance Stock Award Agreement does not set forth termination provisions, the provisions of Article 13 shall control.

9.7 *Transferability.* Except as otherwise determined by the Committee, a Participant's rights with respect to Performance Units/Performance Stock granted under the Plan shall be available during the Participant's lifetime only to such Participant or the Participant's legal representative and Performance Units/Performance Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. To the extent the Committee permits the transfer of Performance Units/Performance Stock, in no event shall Performance Units/Performance Stock be transferred for consideration.

#### **Article 10. Other Awards**

The Committee shall have the right to grant other Awards which may include, without limitation, the payment of Stock in lieu of cash, the payment of cash based on attainment of Performance Goals established by the Committee and the payment of Stock in lieu of cash under other Company incentive or bonus programs. Payment under or settlement of any such Awards shall be made in such manner and at such times as the Committee may determine.

#### **Article 11. Deferrals**

The Committee may, in its sole discretion, permit a Participant to defer the Participant's receipt of the payment of cash or the delivery of Stock that would otherwise be due to such Participant under the Plan. If any such deferral election is permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals.

#### **Article 12. Rights of Participants**

12.1 *Termination.* Nothing in the Plan shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or other relationship with the Company or any Subsidiary at any time, for any reason or no reason in the Company's or the Subsidiary's sole discretion, nor confer upon any Participant any right to continue in the employ of, or otherwise in any relationship with, the Company or any Subsidiary.

12.2 *Participation.* No Eligible Person shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive a future Award.

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12.3 *Limitation of Implied Rights.* Neither a Participant nor any other Person shall, by reason of the Plan, acquire any right in or title to any assets, funds or property of the Company or any Subsidiary whatsoever, including, without limitation, any specific funds, assets or other property which the Company or any Subsidiary, in their sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary. Nothing contained in the Plan shall constitute a guarantee that the assets of such companies shall be sufficient to pay any benefits to any Person.

Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any right as a stockholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights.

12.4 *Waiver.* Each Participant, by acceptance of an Award, waives all rights to specific performance or injunctive or other equitable relief and acknowledges that he has an adequate remedy at law in the form of damages.

#### **Article 13. Termination of Employment**

13.1 *Options.* If a Participant has a Termination of Employment, then, unless otherwise provided by the Committee or in the Award Agreement, the following provisions shall apply:

(i) if the Participant's Termination of Employment is on account of death or Disability, then all outstanding Options, to the extent not vested, shall vest, and all outstanding Options may be exercised, in whole or in part, by the Participant (or his personal representative, estate or transferee, as the case may be) at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the second anniversary of the date of such Termination of Employment;

(ii) if the Participant's Termination of Employment is on account of Retirement at the Normal Retirement Date or Health Retirement Date, unvested Options shall continue to vest in accordance with their terms, and all outstanding Options, when vested, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the fifth anniversary of the date of such Termination of Employment;

(iii) if the Participant's Termination of Employment is on account of Retirement at the Early Retirement Date, unvested Options shall be forfeited, and Options, to the extent they are vested on the date of Termination of Employment, may be exercised, in whole or in part, by the

Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the fifth anniversary of the date of such Termination of Employment;

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(iv) if the Participant's Termination of Employment is for any other reason, unvested Options shall be forfeited, and Options, to the extent they are vested on the date of Termination of Employment, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) three months after the date of such Termination of Employment; and

(v) if (A) the Participant's Termination of Employment is for any reason other than death and (B) the Participant dies after such Termination of Employment but before the date the Options must be exercised as set forth in the preceding subsections, unvested Options shall be forfeited and any Options, to the extent they are vested on the date of the Participant's death, may be exercised, in whole or in part, by the Participant's personal representative, estate or transferee, as the case may be, at any time on or before the earliest to occur of (x) the Expiration Date of the Option, (y) the second anniversary of the date of death and (z) the applicable anniversary of the Termination of Employment as set forth in subsections (i) through (iv) above.

Reload Options may not be granted after a Termination of Employment.

13.2 *Other Awards.* If a Participant has a Termination of Employment, then, unless otherwise provided by the Committee or in the Award Agreement, all Awards other than Options shall terminate and be forfeited on the date of such Termination of Employment.

#### **Article 14. Equity Incentive Plans of Foreign Subsidiaries**

The Committee may authorize any foreign Subsidiary to adopt a plan for granting Awards ("Foreign Equity Incentive Plan") and awards granted under such Foreign Equity Incentive Plans may be treated as grants under the Plan, if the Committee so determines. Such Foreign Equity Incentive Plans shall have such terms and provisions as the Committee permits not inconsistent with the provisions of the Plan and which may be more restrictive than those contained in the Plan. Awards granted under such Foreign Equity Incentive Plans shall be governed by the terms of the Plan except to the extent that the provisions of the Foreign Equity Incentive Plans are more restrictive than the terms of the Plan, in which case such terms of the Foreign Equity Incentive Plans shall control.

#### **Article 15. Amendment, Modification and Termination**

The Board may, at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part, provided that no amendment shall be made which shall increase the total number of shares of Stock that may be issued under the Plan, materially modify the requirements for participation in the Plan, or materially increase the benefits accruing to Participants under the Plan, in each case unless such amendment is approved by the stockholders of the Company.

No termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant

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holding such Award, unless such termination, modification or amendment is required by applicable law and except as otherwise provided herein.

#### **Article 16. Payment for Awards and Withholding**

16.1 *Payment for Awards.* In the event a Participant elects to pay the Option Exercise Price or make payment for any other Award through tender of previously acquired Stock, (i) only a whole number of share(s) of Stock (and not fractional shares of Stock) may be tendered in payment, (ii) such Participant must present evidence acceptable to the Company that he has owned any such shares of Stock tendered in payment (and that such shares of Stock tendered have not been subject to any substantial risk of forfeiture) for at least six months prior to the date of exercise and (iii) Stock must be tendered to the Company, either by actual delivery of the shares or by attestation. When payment is made by tender of Stock, the difference, if any, between the aggregate amount payable and the Fair Market Value of the share(s) of Stock tendered in payment (plus any applicable taxes) shall be paid by check. No Participant may tender shares of Stock having a Fair Market Value exceeding the aggregate Option Exercise Price or other payment due.

16.2 *Loans and Guarantees.* The Committee may, in its discretion to the extent permitted by applicable law:

(i) allow a Participant to defer payment to the Company of all or any portion of (x) the Option Exercise Price of any option or (y) any taxes associated with a benefit hereunder which is not a cash benefit at the time such benefit is so taxable, or

(ii) cause the Company to guarantee a loan from a third party to the Participant, in an amount equal to all or any portion of such Option Exercise Price or any related taxes.

Any such payment deferral or guarantee by the Company pursuant to this section shall be on a secured or unsecured basis, for such periods, at such interest rates, and on such other terms and conditions as the Committee may determine. Notwithstanding the foregoing, a Participant shall not be entitled to defer the payment of such Option Exercise Price or any related taxes unless the Participant (x) enters into a binding obligation to pay the deferred amount and (y) except with respect to treasury stock, pays upon exercise of an Option an amount equal to or greater than the aggregate Minimum Consideration therefor. If the Committee has permitted a payment deferral or caused the Company to guarantee a loan pursuant to this section, then the Committee may, in its discretion, require the immediate payment of such deferred amount or the immediate release of such guarantee upon the Participant's Termination of Employment or if the Participant sells or otherwise transfers the Participant's shares of Stock purchased pursuant to such deferral or guarantee.

16.3 *Notification under Section 83(b).* The Committee may, on the grant date or any later date, prohibit a Participant from making the election described below. If the Committee has not prohibited such Participant from making such election, and the Participant shall, in connection with the exercise of any Option, or the grant of any share of Restricted Stock, make the election permitted under Section 83(b) of the Code (i.e., an election to include in such Participant's gross income in the

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year of transfer the amounts specified in Section 83(b) of the Code), such Participant shall notify the Company of such election within 10 days of filing notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under the authority of Section 83(b) of the Code.

16.4 *Tax Withholding.* The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount (including any Stock withheld as provided below) sufficient to satisfy Federal, state and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to an Award made under the Plan.

16.5 *Stock Withholding.* With respect to tax withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock or Restricted Stock Units, or upon any other taxable event arising out of or as a result of Awards granted hereunder, Participants may elect to satisfy the withholding requirement, in whole or in part, by tendering Stock held by the Participant (by actual delivery of the shares or by attestation) or by having the Company withhold Stock having a Fair Market Value equal to the minimum statutory total tax which could be imposed on the transaction. All elections shall be irrevocable, made in writing (or other method acceptable to the Company) and signed by the Participant. In the event a Participant fails to make an election by the date required, the Participant will be deemed to have made an election to have the Company withhold Stock having a Fair Market Value equal to the minimum statutory total tax which could be imposed on the transaction.

#### **Article 17. Substituted Awards**

The Committee may grant substituted awards for any cancelled Award granted under this Plan or any plan of any entity acquired by the Company or any of its Subsidiaries in accordance with this Article; provided, however, that a substituted award cannot be of a type different than the cancelled Award without approval by the stockholders of the Company. If the Committee cancels any Award (granted under this Plan, or any plan of any entity acquired by the Company or any of its Subsidiaries), and a new Award is substituted therefor, then the Committee may, in its discretion, determine the terms and conditions of such new Award provided that, subject to Section 4.2, an Option or SAR granted in exchange for, or in connection with, the cancellation or surrendering of an Option, SAR or other award must have an Option Exercise Price or SAR Base Value not lower than that of the cancelled Option or SAR, and further may provide that the grant date of the cancelled Award shall be the date used to determine the earliest date or dates for exercising or vesting the new substituted Award so that the Participant may exercise the substituted Award, or the substituted Award may vest, at the same time as if the Participant had held the substituted Award since the grant date of the cancelled Award.

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#### **Article 18. Successors**

All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise of all or substantially all of the business and/or assets of the Company.

#### **Article 19. Legal Construction**

19.1 *Gender and Number.* Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural.

19.2 *Severability.* In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

19.3 *Requirements of Law.* The granting of Awards and the issuance of Stock under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

19.4 *Governing Law.* To the extent not preempted by Federal law, the Plan, and all agreements hereunder, shall be construed in accordance with, and governed by, the laws of the State of Delaware, except with regard to conflicts of law provisions.

19.5 *Code Section 409A Compliance.* To the extent applicable, it is intended that this Plan and any Awards granted hereunder comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A") and the Plan and any Awards granted under the Plan shall be interpreted and construed in a manner consistent with such intent.

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## THE ALLSTATE CORPORATION

## EQUITY INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS

As Amended and Restated effective as of September 15, 2008

**I. Purpose.**

The purpose of The Allstate Corporation Equity Incentive Plan for Non-Employee Directors (the "Plan") is to promote the interests of The Allstate Corporation (the "Company") by providing an inducement to obtain and retain the services of qualified persons as members of the Company's Board of Directors (the "Board") and to align more closely the interests of such persons with the interests of the Company's stockholders by providing a significant portion of the compensation provided to such persons in the form of equity securities of the Company.

**II. Administration.**

The Plan shall be administered by the Committee. The Committee shall have full power to construe and interpret the Plan and Shares, RSUs and Options granted hereunder, to establish and amend rules for its administration and to correct any defect or omission and to reconcile any inconsistency in the Plan or in any Share, RSU or Option granted hereunder to the extent the Committee deems desirable to carry the Plan or any Share, RSU or Option granted hereunder into effect. Any decisions of the Committee in the administration of the Plan shall be final and conclusive. The Committee may authorize any one or more of its members, the secretary of the Committee or any officer of the Company to execute and deliver documents on behalf of the Committee. Each member of the Committee, and, to the extent provided by the Committee, any other person to whom duties or powers shall be delegated in connection with the Plan, shall incur no liability with respect to any action taken or omitted to be taken in connection with the Plan and shall be fully protected in relying in good faith upon the advice of counsel, to the fullest extent permitted under applicable law.

**III. Eligibility.**

Each Non-Employee Director shall be eligible to participate in the Plan.

**IV. Limitation on Aggregate Shares.**

A. Maximum Number of Shares. The aggregate maximum number of Shares that may be granted pursuant to the Plan or delivered upon settlement of RSUs or upon exercise of Options granted pursuant to the Plan shall be 580,000 Shares. Such maximum number of Shares is subject to adjustment under the provisions of Section IV.B. The Shares to be granted pursuant to the Plan or delivered upon settlement of RSUs or upon exercise of Options may be either (i) authorized but unissued Shares or (ii) Shares previously issued which have been reacquired by

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the Company ("Treasury Shares"); provided, however, that on or after June 1, 2001, only Treasury Shares shall be granted pursuant to the Plan or delivered upon settlement of RSUs or exercise of Options (other than upon exercise of Options granted prior to such date). In the event any RSU, Option or Reload Option shall, for any reason, terminate or expire or be surrendered without having been exercised in full or without all Shares subject thereto having been delivered, the Shares subject to such RSU, Option or Reload Option but not delivered or purchased thereunder shall be available for future RSUs, Options or Reload Options to be granted under the Plan.

B. Adjustment. The maximum number of Shares referred to in Section IV.A of the Plan, the number of RSUs granted pursuant to Section VI of the Plan, the number of Shares subject to outstanding RSUs granted under Section VI of the Plan, the number of Options granted pursuant to Section VII of the Plan, and the option price and the number of Shares which may be purchased under any outstanding Option granted under Section VII of the Plan shall be proportionately adjusted for (i) any increase or decrease in the number of issued and outstanding Shares as the result of (a) the declaration and payment of a dividend payable in Common Stock, or the division of the Common Stock outstanding at the date hereof (or the date of the grant of any such outstanding Option or RSU, as applicable) into a greater number of Shares without the receipt of consideration therefore by the Company, or any other increase in the number of such Shares of the Company outstanding at the date hereof (or the date of the grant of any such outstanding Option or RSU, as applicable) which is effective without the receipt of consideration therefore by the Company (exclusive of any Shares granted by the Company to employees of the Company or any of its Subsidiaries without receipt of separate consideration by the Company), or (b) the consolidation of the Shares outstanding at the date hereof (or the date of the grant of any such outstanding Option or RSU, as applicable) into a smaller number of Shares without the payment of consideration thereof by the Company, or any other decrease in the number of such Shares outstanding at the date hereof (or the date of the grant of any such outstanding Option or RSU, as applicable) effected without the payment of consideration by the Company or (ii) to the extent not addressed in (i), any equity restructuring (within the meaning of Financial Accounting Standards No. 123 (revised 2004)) that causes the per share value of the Common Stock to change; provided, however, that the total option price for all Shares which may be purchased upon the exercise of any Option granted pursuant to the Plan (computed by multiplying the number of Shares originally purchasable thereunder, reduced by the number of such Shares which have theretofore been purchased thereunder, by the original option price per share before any of the adjustments herein provided for) shall not be changed.

In the event of a change in the Common Stock as presently constituted which is limited to a change of the Company's authorized shares with a par value into the same number of shares with a different par value or without par value, the shares resulting from any such change will be deemed to be the Common Stock within the meaning of this Plan and no adjustment will be required pursuant to this Section IV.B.

The foregoing adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided in this Section IV.B,

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a Non-Employee Director shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

## V. Definitions.

The following terms shall have the meanings set forth below when used herein:

“Change of Control” means, except as otherwise provided at the end of this Section, the occurrence of any one or more of the following:

(a) (Voting Power) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons, ownership of stock of the Company possessing 30% or more of the combined voting power of all Voting Securities of the Company (such a Person or group that is not a Similarly Owned Company (as defined below), a “More than 30% Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a corporation with respect to which both more than 70% of the common stock of such corporation and Voting Securities representing more than 70% of the combined voting power of the Voting Securities of such corporation are then owned, directly or indirectly, by the Persons who were the direct or indirect owners of the common stock and Voting Securities of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the common stock and Voting Securities of the Company, as the case may be (a “Similarly Owned Company”); or

(b) (Majority Ownership) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires ownership of more than 50% of the voting power of all Voting Securities of the Company or of the total fair market value of the stock of the Company (such a Person or group that is not a Similarly Owned Company, a “Majority Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a Similarly Owned Company; or

(c) (Board Composition) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election (“Board Turnover”); or

(d) (Reorganization) the consummation of a merger, reorganization, consolidation, or similar transaction, or of a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company, or a plan of liquidation of the Company (any of the foregoing, a “Reorganization Transaction”) that, does not qualify as an Exempt Reorganization Transaction.

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Notwithstanding anything contained herein to the contrary: (i) no transaction or event shall constitute a Change of Control for purposes of this Plan unless the transaction or event constituting the Change of Control also constitutes a change in the ownership of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(v)), a change in effective control of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)) or a change in the ownership of a substantial portion of the assets of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)); and (ii) no sale or disposition of one or more Subsidiaries (“Sale Subsidiary”) or the assets thereof shall constitute a Change of Control for purposes of this Plan if the investments in and advances by the Company and its Subsidiaries (other than the Sale Subsidiaries) to such Sale Subsidiary as of immediately prior to the sale or disposition determined in accordance with Generally Accepted Accounting Principles (“GAAP”) (but after intercompany eliminations and net of the effect of intercompany reinsurance) are less than 51% of the Consolidated Total Shareholders’ Equity of the Company as of immediately prior to the sale or disposition. Consolidated Total Shareholders’ Equity means, at any date, the total shareholders’ equity of the Company and its Subsidiaries at such date, as reported in the consolidated financial statements prepared in accordance with GAAP.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Nominating and Governance Committee of the Board, any successor committee of the Board performing similar functions or, in the absence of such a committee, the Board.

“Common Stock” means the Common Stock, par value \$.01 per share, of the Company.

“Disability” means a condition which renders a Non-Employee Director disabled within the meaning of Code Section 409A(a)(2)(C).

“Dividend Equivalent Right” means an unfunded and unsecured promise to pay a cash amount equal to the regular cash dividends that would be paid on a Share of Common Stock underlying a Restricted Stock Unit if such Share had been delivered pursuant to the Restricted Stock Unit award.

“Election Shares” means any Shares issued to a Non-Employee Director pursuant to the election of such person to receive such Shares in lieu of cash compensation made in accordance with Section VIII.B.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exempt Reorganization Transaction” means a Reorganization Transaction (as that term is defined in subpart (d) of the definition of Change of Control) that fails to result in (a) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B))

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becoming a More than 30% Owner (as that term is defined in subpart (a) of the definition of Change of Control) or a Majority Owner (as that term is defined in subpart (b) of the definition of Change of Control), (b) Board Turnover (as that term is defined in subpart (c) of the definition of Change of Control), or (c) a sale or disposition to any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) of the assets of the Company

that have a total Gross Fair Market Value equal to at least forty percent (40%) of the total Gross Fair Market Value of all of the assets of the Company immediately before such transaction.

“Fair Market Value” means the price at which a share of the Stock was last sold in the principal United States market for the Stock as of the date for which fair market value is being determined.

“Gross Fair Market Value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

“Initial Election Date” means, for each Non-Employee Director, the later to occur of (i) the date the Plan is approved and adopted by the Company’s stockholders pursuant to Section XIII of the Plan, and (ii) the date of such member’s initial election or appointment to the Board.

“Non-Employee Director” means each member of the Board who is not an officer or employee of the Company or any of its Subsidiaries.

“Option” means an option to purchase shares of Common Stock.

“Person” means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

“Restricted Stock Unit” or “RSU” means a restricted stock unit award, which represents an unfunded and unsecured promise to deliver a Share of Common Stock in accordance with Article VI.

“Shares” means shares of Common Stock.

“Subsidiary” means any partnership, corporation, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company or a combination thereof, or (ii) if a partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity, a majority of the partnership or other similar equity ownership interest thereof is at the time owned or controlled, directly or indirectly,

by the Company or one or more Subsidiaries of the Company or a combination thereof. For purposes hereof, the Company or a Subsidiary shall be deemed to have a majority ownership interest in a partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity if the Company or such Subsidiary shall be allocated a majority of partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity gains or losses or shall be or control the managing director, the trustee, the manager or the general partner of such partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity.

“Voting Securities” means securities of a corporation that are entitled to vote generally in the election of directors of such corporation.

## **VI. Formula Restricted Stock Unit Grants for Non-Employee Directors.**

A. Annual Grant of Restricted Stock Units. Beginning December 1, 2004, on December 1 of each year 2,000 RSUs shall automatically be granted to each Non-Employee Director serving on the Board on such date who has served in such capacity since June 1 of such year. If any person serving as a Non-Employee Director on June 1 of 2004 or any subsequent year ceases to serve as a director of the Company prior to December 1 of such year, such director shall be automatically granted on his or her last day of service a number of RSUs equal to (i) 2,000 multiplied by (ii) a fraction, the numerator of which is the number of full calendar months such Non-Employee Director has served on the Board during the period beginning on such June 1 and ending on such director’s last date of service and the denominator of which is 6.

B. Grant for Newly Appointed Directors. If after June 1, 2004 a Non-Employee Director is initially elected or appointed to the Board effective on any date other than June 1, such Non-Employee Director shall automatically be granted, on the June 1 following the date he or she joins the Board (or such earlier date as he or she ceases to serve as a director), a number of RSUs equal to (i) 2,000 multiplied by (ii) a fraction, the numerator of which is the number of full calendar months such Non-Employee Director has served on the Board during the period beginning on the date such director joined the Board and ending on the following May 31 (or such earlier date as he or she ceases to serve as a director) and the denominator of which is 6; provided that such fraction shall in no event be greater than one.

C. Delivery of Shares. Unless otherwise determined by the Board, the Non-Employee Director shall be entitled to delivery of Shares that underlie the RSUs then outstanding (which amount shall be rounded to the nearest whole number to avoid delivery of fractional Shares) upon the earlier of (i) the date of the Non-Employee Director’s death or Disability, and (ii) one year after the date on which the Non-Employee Director is no longer serving as a director of the Company. Delivery of Shares shall be effected by book entry credit to the Non-Employee Director’s account with the Company’s transfer agent.

D. Restrictions. A Non-Employee Director shall have only the rights of a general unsecured creditor of the Company and shall have no rights as a shareholder of the Company with respect to the RSUs. Upon delivery of Shares pursuant to Section VI.C the Non-Employee Director will obtain full voting and other rights as a shareholder of the Company. The RSUs granted pursuant to this Section VI shall be fully vested but may not be sold, transferred, pledged, assigned, or otherwise alienated at any time.



E. Dividend Equivalent Rights. Each RSU shall include a Dividend Equivalent Right that shall entitle the Non-Employee Director to receive a cash amount equal to the regular dividend payment as would have been made in respect of each share of Stock underlying such RSU in accordance with the following schedule:

<u>Regular Dividend Payment ("RDP"), if any</u>	<u>Dividend Equivalent Payment Date</u>
1 <sup>st</sup> Quarter	January 1 through March 31 of the year RDP paid
2 <sup>nd</sup> Quarter	April 1 through June 30 of the year RDP paid
3 <sup>rd</sup> Quarter	July 1 through September 30 of the year RDP paid
4 <sup>th</sup> Quarter	October 1 through December 31 of the year RDP paid

Cash payment with respect to a Dividend Equivalent Right shall be made only with respect to such RSUs that are outstanding on the dividend record date.

F. Change of Control. In the event of a Change of Control, all outstanding RSUs shall immediately be payable in Shares upon consummation of the Change of Control.

## VII. Formula Stock Option Grants for Non-Employee Directors.

A. Annual Grant of Options. On June 1 of each year, beginning June 1, 2001, Options to purchase 4,000 Shares shall automatically be granted to each Non-Employee Director serving on the Board on such date. If any such Non-Employee Director will be required to retire (pursuant to the policies of the Board) during the 12 month period beginning on the date of any grant (or if any such Non-Employee Director has notified the Board that he or she intends to resign from the Board for any reason during the 12 month period beginning on the date of any grant), such director shall instead be granted on June 1 of the relevant year Options to purchase a number of Shares equal to (i) 4,000, multiplied by (ii) a fraction, the numerator of which is the number of full calendar months such Non-Employee Director will serve on the Board during the period beginning on such June 1 and ending on such director's last date of service and the denominator of which is 12.

B. Grant for Newly Appointed Directors. If after June 1, 2001 a Non-Employee Director is initially elected or appointed to the Board effective on any date other than June 1, such Non-Employee Director shall automatically be granted, on the date he or she joins the Board, Options to purchase a number of Shares equal to (i) 4,000, multiplied by (ii) a fraction, the numerator of which is the number of full calendar months such Non-Employee Director will serve on the Board during the period beginning on the date such director joins the Board and

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ending on the following May 31 and the denominator of which is 12.

C. Option Exercise Price. The exercise price per Share for each Option shall be 100% of the Fair Market Value of a Share on the date of grant, subject to Section IV.B.

D. Term of Options. Each Option shall be exercisable for ten years after the date of grant, subject to Section VII.F.

E. Conditions and Limitations on Exercise.

(i) Vesting. Each Option shall vest in three installments as follows: (i) on each of the first and second anniversaries of the date of grant, as to one-third of the Shares subject to such Option (with any resulting fractional Share rounded to the nearest whole Share) and (ii) on the third anniversary of the date of grant, as to the remaining unvested portion of such Option. Upon a Non-Employee Director's mandatory retirement pursuant to the policies of the Board, the unvested portions of any outstanding Options held by such Non-Employee Director shall fully vest. Upon the termination of a Non-Employee Director's tenure for any other reason, the unvested portions of any outstanding Options shall expire and no Options granted to such Non-Employee Director shall vest after the termination of such director's tenure on the Board.

(ii) Exercise. Each Option shall be exercisable in one or more installments and shall not be exercisable for less than 100 Shares, unless the exercise represents the entire remaining exercisable balance of a grant or grants. Each Option shall be exercised by delivery to the Company of written notice of intent to purchase a specific number of Shares subject to the Option. The option price of any Shares as to which an Option shall be exercised shall be paid in full at the time of the exercise. Payment may, at the election of the Non-Employee Director, be made in any one or any combination of the following forms:

- (a) check or wire transfer of funds in such form as may be satisfactory to the Committee;
- (b) delivery of Shares valued at their Fair Market Value on the date of exercise or, if the date of exercise is not a business day, the next preceding business day;
- (c) through simultaneous sale through a broker of unrestricted Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board; or
- (d) by authorizing the Company in his or her written notice of exercise to withhold from issuance a number of Shares issuable upon exercise of such Option which, when multiplied by the Fair Market Value of Common Stock on

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the date of exercise (or, if the date of exercise is not a business day, the next preceding business day), is equal to the aggregate exercise price payable with respect to the Option so exercised.

In the event a Non-Employee Director elects to pay the exercise price payable with respect to an Option pursuant to clause (b) above, (i) only a whole number of Share(s) (and not fractional Shares) may be tendered in payment, (ii) such Non-Employee Director must present evidence acceptable to the Company that he or she has owned any such Shares tendered in payment of the exercise price (and that such Shares tendered have not been subject to any substantial risk of forfeiture) for at least six months prior to the date of exercise, and (iii) the certificate(s) for all such Shares tendered in payment of the exercise price must be accompanied by duly executed instruments of transfer in a form acceptable to the Company. When payment of the Option exercise price is made by the tender of Shares, the difference, if any, between the aggregate exercise price payable with respect to the Option being exercised and the Fair Market Value of the Share(s) tendered in payment (plus any applicable taxes) shall be paid by check or wire transfer of funds. No Non-Employee Director may tender Shares having a Fair Market Value exceeding the aggregate exercise price payable with respect to the Option being exercised.

In the event a Non-Employee Director elects to pay the exercise price payable with respect to an Option pursuant to clause (d) above, (i) only a whole number of Share(s) (and not fractional Shares) may be withheld in payment and (ii) such Non-Employee Director must present evidence acceptable to the Company that he or she has owned a number of Shares at least equal to the number of Shares to be withheld in payment of the exercise price (and that such owned Shares have not been subject to any substantial risk of forfeiture) for at least six months prior to the date of exercise. When payment of the Option exercise price is made by the withholding of Shares, the difference, if any, between the aggregate exercise price payable with respect to the Option being exercised and the Fair Market Value of the Share(s) withheld in payment (plus any applicable taxes) shall be paid by check or wire transfer of funds. No Non-Employee Director may authorize the withholding of Shares having a Fair Market Value exceeding the aggregate exercise price payable with respect to the Option being exercised. Any withheld Shares shall no longer be issuable under such Option.

F. Additional Provisions.

(i) Accelerated Expiration of Options Upon Termination of Directorship. Upon the termination of a Non-Employee Director's tenure for any reason, each outstanding vested and previously unexercised Option shall expire three months after the date of such termination; provided that (a) upon the termination of a Non-Employee Director's tenure as a result of death or Disability, each outstanding vested and previously unexercised Option shall expire two years after the date of his or her termination as a director, and (b) upon the mandatory retirement of a Non-Employee Director pursuant to the policies of the Board, each outstanding vested and previously unexercised Option shall expire five years after the date of his or her termination as a director. In no event shall the provisions of this Section VII.F operate to extend the original expiration date of

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any Option.

(ii) Change of Control. In the event of a Change of Control, the Options may be assumed by the successor corporation or a parent of such successor corporation or substantially equivalent options may be substituted by the successor corporation or a parent of such successor corporation, and if the successor corporation does not assume the Options or substitute options, then all outstanding and unvested Options shall become immediately exercisable and all outstanding Options shall terminate if not exercised as of the date of the Change of Control. The Company shall provide at least 30 days prior written notice of the Change of Control to the holders of all outstanding Options, which notice shall state whether (a) the Options will be assumed by the successor corporation or substantially equivalent options will be substituted by the successor corporation, or (b) the Options are thereafter vested and exercisable and will terminate if not exercised as of the date of the Change of Control.

(iii) Liquidation or Dissolution. In the event of the liquidation or dissolution of the Company, Options shall terminate immediately prior to the liquidation or dissolution.

G. Grant of Reload Options. A Non-Employee Director who exercises all or any portion of an Option granted under the Plan before June 1, 2004 by the tender or withholding of Shares which have a Fair Market Value equal to not less than 100% of the exercise price for such Options (the "Exercised Options") shall be granted, subject to Section IV, an additional option (a "Reload Option") for a number of Shares equal to the sum of the number of Shares tendered or withheld in payment of the exercise price for the Exercised Options. Options granted on and after June 1, 2004 shall not provide for the grant of a Reload Option upon exercise.

Reload Options shall be subject to the following terms and conditions:

- (i) the grant date for each Reload Option shall be the date of exercise of the Exercised Option to which it relates;
- (ii) subject to clause (iii) below, the Reload Option may be exercised at any time during the unexpired term of the Exercised Option (subject to earlier termination thereof as provided in the Plan); and
- (iii) the other terms of the Reload Option shall be the same as the terms of the Exercised Option to which it relates and shall be subject to the provisions of the Plan, except that (a) the option price shall be the Fair Market Value of the Shares on the grant date of the Reload Option, (b) no Reload Option may be exercised within six months from the grant date thereof, and (c) no other Reload Option shall be granted upon exercise of such Reload Option.

H. Non-Qualified Stock Options. All Options granted under the Plan shall be non-qualified options not entitled to special tax treatment under Code Section 422, as may be

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amended from time to time.

**VIII. Election to Receive Stock in Lieu of Cash Compensation**

A. General. A Non-Employee Director may elect to reduce the cash compensation otherwise payable for services to be rendered by him or her as a director for any period beginning on June 1 and continuing to the following May 31 (or such other period for which cash compensation is payable to

Non-Employee Directors pursuant to the policies of the Board), beginning June 1, 1996 and to receive in lieu thereof Election Shares as provided in this Section VIII.

B. Election. By the later of (i) the date of the Company's annual meeting of stockholders next preceding the June 1 to which such election relates (but in no event less than five business days prior to such June 1) and (ii) such Non-Employee Director's Initial Election Date, each Non-Employee Director may make an irrevocable election to receive, in lieu of all or a specified percentage (which percentage shall be in 10% increments) of the cash compensation to which such director would otherwise be entitled as a member of the Board and any committee thereof (including the annual retainer fee and any meeting or other fees payable for services on the Board or any committee thereof, but excluding any reimbursement for out-of-pocket expenses) for the year beginning the following June 1 (or such other period for which cash compensation is payable to such Non-Employee Director pursuant to the policies of the Board), an equivalent value in Election Shares granted in accordance with this Section VIII. An election shall be effective (i) if made in accordance with clause (i) of the preceding sentence, beginning on the June 1 following such election; and (ii) if made on such Non-Employee Director's Initial Election Date, immediately.

Each such election shall (i) be in writing in a form prescribed by the Company, (ii) specify the amount of cash compensation to be received in the form of Election Shares (expressed as a percentage of the compensation otherwise payable in cash), and (iii) be delivered to the Secretary of the Company. Such election may not be revoked or changed thereafter except as to compensation for services to be rendered in any 12 month period beginning on any June 1 at least six months following such revocation or new election.

C. Issuance of Common Stock. If a Non-Employee Director elects pursuant to Section VIII.B above to receive Election Shares, there shall be issued to such director promptly following each subsequent June 1 for which such election is effective (or promptly following the first day of such other period for which such election is effective) a number of Election Shares equal to the amount of compensation otherwise payable for the 12 month period beginning on such June 1 (or the other period for which such election is effective) divided by the Fair Market Value of the Election Shares on such June 1 (or on the first day of such other period). To the extent that the application of the foregoing formula would result in fractional shares of Common Stock being issuable, cash will be paid to the Non-Employee Director in lieu of such fractional Election Shares based upon the Fair Market Value of such fractional Election Share.

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D. Compliance with Exchange Act. The election to receive Election Shares is intended to comply in all respects with Rule 16b-3(d) (1) promulgated under Section 16(b) of the Exchange Act such that the issuance of Election Shares under the Plan on a grant date occurring at least six months after the election shall be exempt from Section 16(b) of the Exchange Act.

E. Grant Date. The grant date for each Election Share for the Non-Employee Director electing such option shall be the first day of the period to which such election relates and is effective.

## IX. Miscellaneous Provisions.

A. Rights of Non-Employee Directors. No Non-Employee Director shall be entitled under the Plan to voting rights, dividends or other rights of a stockholder prior to the issuance of Common Stock. Neither the Plan nor any action taken hereunder shall be construed as giving any Non-Employee Director any right to be retained in the service of the Company.

B. Limitations on Transfer and Exercise. All Options granted under the Plan shall not be transferable by the Non-Employee Director, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order, as defined by Section 1 *et seq.*, of the Code, Title I of ERISA or the rules and regulations thereunder, and shall be exercisable during the Non-Employee Director's lifetime only by such Non-Employee Director or by such Non-Employee Director's guardian or other legal representative; provided, however, that the vested portions of Options may be transferred by the Non-Employee Director during his lifetime to (a) any member of his immediate family, (b) to a trust established for the exclusive benefit of himself or one or more members of his immediate family, or (c) to a partnership, the partners of which are limited to the Non-Employee Director and members of his immediate family. A transfer of an Option pursuant to this paragraph may only be effected by the Company at the written request of a Non-Employee Director and shall become effective only when recorded in the Company's record of outstanding Options. In the event an Option is transferred as contemplated in this paragraph, any Reload Options associated with such transferred Option shall terminate, and such transferred Option may not be subsequently transferred by the transferee except by will or the laws of descent and distribution. Otherwise, a transferred Option shall continue to be governed by and subject to the terms and limitations of the Plan and the relevant grant, and the transferee shall be entitled to the same rights as the Non-Employee Director, as if no transfer had taken place. As used in this paragraph, "immediate family" shall mean, with respect to any person, his/her spouse, any child, stepchild or grandchild, and shall include relationships arising from legal adoption.

C. Compliance with Laws. No shares of Common Stock shall be issued hereunder unless counsel for the Company shall be satisfied that such issuance will be in compliance with applicable federal, state, local and foreign securities, securities exchange and other applicable laws and requirements. Each Share delivered pursuant to Section VI or granted pursuant to

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Section VIII and each Option granted pursuant to Section VII shall be subject to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the Shares delivered, granted or subject to the Option upon any securities exchange or under any state or federal securities or other law or regulation, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to or in connection with the granting or delivery of such Share, such Option or the issuance or purchase of Shares thereunder, no such Share may be issued or delivered and no Option may be exercised or paid in Common Stock, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. The holder of an RSU, Share or Option will supply the Company with such certificates, representations and information as the Company shall request and shall otherwise cooperate with the Company in obtaining such listing, registration, qualification, consent or approval. The Committee may at any time impose any limitations upon the delivery of a Share pursuant to an RSU, the sale of a Share or the exercise of an Option or the sale of the Shares delivered pursuant to an RSU or issued upon exercise of an Option that, in the Committee's discretion, are necessary or desirable in order to comply with Section 16(b) of the Exchange Act and the rules and regulations thereunder. The Committee may at any time impose additional limitations, or may amend or delete the existing limitations, upon the exercise of Options by the tender or

withholding of Shares in accordance with Section VII.E (including an amendment or deletion of the related ownership period for Shares specified in such Section), if such additional, amended or deleted limitations are necessary, desirable or no longer required (as the case may be) to remain in compliance with applicable accounting pronouncements relating to the treatment of the plan as a fixed plan for accounting purposes.

D. Payment of Withholding Tax. Whenever Shares are to be delivered pursuant to Section VI or issued pursuant to Section VIII of the Plan or upon exercise of Options issued pursuant to Section VII of the Plan, the Company shall be entitled to require as a condition of delivery (i) that the participant remit an amount sufficient to satisfy all federal, state and local withholding tax requirements related thereto, (ii) the withholding of Shares due to the participant under the Plan with a Fair Market Value equal to such amount, or (iii) any combination of the foregoing.

E. Expenses. The expenses of the Plan shall be borne by the Company and its Subsidiaries.

F. Deemed Acceptance, Ratification and Consent. By accepting any Common Stock hereunder or other benefit under the Plan, each Non-Employee Director and each person claiming under or through him or her shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee.

G. Securities Act Registration. The Company shall use its best efforts to cause to be filed under the Securities Act of 1933, as amended, a registration statement covering the Shares issued, and issuable upon delivery of Shares pursuant to RSUs and exercise of Options granted,

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under the Plan.

H. Governing Law. The provisions of the Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

I. Election Shares. Pending the grant of Election Shares hereunder, all compensation earned by a Non-Employee Director with respect to which an election to receive the grant of Election Shares pursuant to Section VIII.B has been made shall be the property of such director and shall be paid to him or her in cash in the event that Election Shares are not granted by the Company hereunder.

J. Headings; Construction. Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings, numbering and paragraphing shall not in any case be deemed in any way material or relevant to the construction of the Plan or any provisions hereof. The use of the singular shall also include within its meaning the plural, where appropriate, and *vice versa*.

K. Code Section 409A Compliance. To the extent applicable, it is intended that this Plan and any awards granted hereunder comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and any Awards granted hereunder shall be interpreted and construed in a manner consistent with such intent.

**X. This section intentionally left blank.**

**XI. Amendment.**

The Plan may be amended at any time and from time to time by resolution of the Board as the Board shall deem advisable; provided, however, that no amendment shall become effective without stockholder approval if such stockholder approval is required by law, rule or regulation. No amendment of the Plan shall materially and adversely affect any right of any participant with respect to any Options, Shares or RSUs theretofore granted under the Plan without such participant's written consent, except for any modifications required to maintain compliance with any federal or state statute or regulation.

**XII. Termination.**

The Plan shall terminate upon the earlier of the following dates or events to occur:

- (i) upon the adoption of a resolution of the Board terminating the Plan; and
- (ii) ten years from the date the Plan is initially approved and adopted by the

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stockholders of the Company in accordance with Article XIII.

Except as specifically provided herein, no termination of the Plan shall materially and adversely affect any of the rights or obligations of any person without his or her consent with respect to any Options, Shares or RSUs theretofore granted under the Plan.

**XIII. Stockholder Approval and Adoption.**

The Plan was originally adopted by the Board on March 12, 1996 and was approved and adopted at a meeting of the stockholders of the Company held on May 21, 1996. The Plan was amended and restated by the Board at meetings held on November 12, 1996, August 14, 1997 and, in connection with a 2-for-1 stock split in the form of a dividend, effective as of July 2, 1998. The Plan was further amended and restated by the Board at meetings held on November 10, 1998, on September 18, 2000, effective as of June 1, 2001 and on September 8, 2003 effective as of June 1, 2004. Until June 1, 2004, the Plan as amended and restated on September 18, 2000, effective as of June 1, 2001 remained in effect. The Plan was further amended and restated by the Board at meetings held on November 9, 2004, September 10, 2006, February 20, 2007, and September 15, 2008.

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**THE ALLSTATE CORPORATION**  
**2006 EQUITY COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS**  
As Amended and Restated effective as of September 15, 2008

**ARTICLE I. ESTABLISHMENT, PURPOSE AND DURATION**

Section 1.1. Establishment of the Plan. The Allstate Corporation, a Delaware corporation (hereinafter referred to as the “Company”), hereby establishes an equity compensation plan for non-employee directors, to be known as “The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors” (hereinafter referred to as the “Plan”), as set forth in this document. The Plan permits the grant of Stock Options, Election Shares, Stock, Restricted Stock, and Restricted Stock Units to Non-Employee Directors of the Company.

Section 1.2. Purpose of the Plan. The purpose of the Plan is to promote the success and enhance the value of the Company by linking the personal interests of members of the Company’s Board of Directors (the “Board”) to those of Company stockholders and customers. The Plan is further intended to assist the Company in its ability to motivate, attract and retain highly qualified individuals to serve as directors of the Company.

Section 1.3. Duration of the Plan. The Plan shall become effective when approved by the stockholders at the 2006 Annual Meeting of Stockholders on May 16, 2006 (the “Effective Date”) and shall remain in effect, subject to the right of the Board to terminate the Plan at any time pursuant to Article X herein, until all shares of Stock subject to the Plan shall have been purchased or acquired according to the Plan’s provisions.

**ARTICLE II. DEFINITIONS**

Whenever used in the Plan, the following terms shall have the meanings set forth below and, when such meaning is intended, the initial letter of the word is capitalized:

Section 2.1. “Award” means, individually or collectively, a grant under the Plan of Stock Options, Election Shares, Stock, Restricted Stock, and Restricted Stock Units or any other type of award permitted under Article IX.

Section 2.2. “Award Agreement” means an agreement setting forth the terms and provisions applicable to an Award granted to a Participant under the Plan.

Section 2.3. “Board” shall have the meaning set forth in Section 1.2 herein.

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Section 2.4. “Change of Control” means, except as otherwise provided at the end of this Section, the occurrence of any one or more of the following:

(a) (*Voting Power*) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons, ownership of stock of the Company possessing 30% or more of the combined voting power of all Voting Securities of the Company (such a Person or group that is not a Similarly Owned Company (as defined below), a “More than 30% Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a corporation with respect to which both more than 70% of the common stock of such corporation and Voting Securities representing more than 70% of the combined voting power of the Voting Securities of such corporation are then owned, directly or indirectly, by the Persons who were the direct or indirect owners of the common stock and Voting Securities of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the common stock and Voting Securities of the Company, as the case may be (a “Similarly Owned Company”); or

(b) (*Majority Ownership*) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires ownership of more than 50% of the voting power of all Voting Securities of the Company or of the total fair market value of the stock of the Company (such a Person or group that is not a Similarly Owned Company, a “Majority Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a Similarly Owned Company; or

(c) (*Board Composition*) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election (“Board Turnover”); or

(d) (*Reorganization*) the consummation of a merger, reorganization, consolidation, or similar transaction, or of a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company, or a plan of liquidation of the Company (any of the foregoing, a “Reorganization Transaction”) that, does not qualify as an Exempt Reorganization Transaction.

Notwithstanding anything contained herein to the contrary: (i) no transaction or event shall constitute a Change of Control for purposes of this Plan unless the transaction or event constituting the Change of Control also constitutes a change in the ownership of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(v)), a change in effective control of a

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corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)) or a change in the ownership of a substantial portion of the assets of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)); and (ii) no sale or disposition of one or more Subsidiaries (“Sale Subsidiary”) or the assets thereof shall constitute a Change of Control for purposes of this Plan if the investments in and advances by the Company and its Subsidiaries (other than the

Sale Subsidiaries) to such Sale Subsidiary as of immediately prior to the sale or disposition determined in accordance with Generally Accepted Accounting Principles (“GAAP”) (but after intercompany eliminations and net of the effect of intercompany reinsurance) are less than 51% of the Consolidated Total Shareholders’ Equity of the Company as of immediately prior to the sale or disposition. Consolidated Total Shareholders’ Equity means, at any date, the total shareholders’ equity of the Company and its Subsidiaries at such date, as reported in the consolidated financial statements prepared in accordance with GAAP.

- Section 2.5. “Code” means the Internal Revenue Code of 1986, as amended from time to time.
- Section 2.6. “Committee” means the Company’s Nominating and Governance Committee or such other committee as the Board shall select.
- Section 2.7. “Company” shall have the meaning set forth in Section 1.1 herein, or any successor to the Company as provided in Article XI herein.
- Section 2.8. “Disability” means an impairment which renders a Participant disabled within the meaning of Code Section 409A(a)(2)(C).
- Section 2.9. “Dividend Equivalent” means, with respect to Stock subject to an Award, a right to be paid an amount equal to cash dividends declared on an equal number of outstanding shares of Stock.
- Section 2.10. “Effective Date” shall have the meaning set forth in Section 1.3 herein.
- Section 2.11. “Election Shares” means any shares of Stock issued to a Non-Employee Director pursuant to the election of such person to receive such shares of Stock in lieu of cash compensation made in accordance with Section 8.2 herein.
- Section 2.12. “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.
- Section 2.13. “Exempt Reorganization Transaction” means a Reorganization Transaction (as that term is defined in Section 2.4(d)) that fails to result in (a) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) becoming a More than 30% Owner (as that term is defined in Section 2.4(a)) or a Majority Owner (as that term is defined in Section 2.4(b)), (b) Board Turnover (as that term is defined in Section 2.4(c)), or (c) a sale or

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disposition to any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) of the assets of the Company that have a total Gross Fair Market Value equal to at least forty percent (40%) of the total Gross Fair Market Value of all of the assets of the Company immediately before such transaction.

- Section 2.14. “Exercise Period” means the period during which a Stock Option is exercisable, as set forth in the related Award Agreement.
- Section 2.15. “Fair Market Value” means the price at which a share of the Stock was last sold in the principal United States market for the Stock as of the date for which fair market value is being determined, which in the case of Restricted Stock or Restricted Stock Units is the last day of the Period of Restriction.
- Section 2.16. “Family Member” means any spouse, child, stepchild, sibling, parent, stepparent, grandparent, or grandchild, including adoptive relationships; a trust in which these persons have more than fifty (50) percent of the beneficial interest; a foundation in which these persons (or the Non-Employee Director) control the management of assets; and any other entity in which these persons (or the Non-Employee Director) own more than fifty (50) percent of the voting interests.
- Section 2.17. “Gross Fair Market Value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.
- Section 2.18. “Non-Employee Director” means each member of the Board who is not an officer or employee of the Company or any of its Subsidiaries.
- Section 2.19. “Option Exercise Price” means the price at which a share of Stock may be purchased by a Participant pursuant to a Stock Option, as determined by the Committee and set forth in the applicable Award Agreement.
- Section 2.20. “Participant” means a Non-Employee Director who has an outstanding Award granted under the Plan.
- Section 2.21. “Period of Restriction” means the period during which the transfer of Restricted Stock or Restricted Stock Units is limited in some way, as provided in Article VII herein.
- Section 2.22. “Person” means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.
- Section 2.23. “Plan” shall have the meaning set forth in Section 1.1 herein.

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- Section 2.24. “Restricted Stock” means an Award of shares of Stock granted to a Participant pursuant to Article VII herein. Delivery of Restricted Stock shall be effected by either (i) a stock certificate or certificates or (ii) book-entry form, in an appropriate number of shares of Stock based upon the number of shares of Restricted Stock issued.
- Section 2.25. “Restricted Stock Unit” means a contractual right to acquire a share of Stock pursuant to an Award granted to a Participant as provided in Article VII herein.

Section 2.26. “Securities Act” means the Securities Act of 1933, as amended.

Section 2.27. “Stock” means the common stock, \$.01 par value, of the Company.

Section 2.28. “Stock Option” means an option to purchase shares of Stock, granted under Article VI herein.

Section 2.29. “Subsidiary” means any corporation, business trust, limited liability company or partnership with respect to which Allstate owns, directly or indirectly, Voting Securities representing more than 50% of the aggregate Voting Power of the then-outstanding Voting Securities.

Section 2.30. “Voting Power” for purposes of Section 2.29 means the combined voting power of the then-outstanding Voting Securities entitled to vote generally in the election of directors.

Section 2.31. “Voting Securities” of a corporation means securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

### ARTICLE III. ADMINISTRATION

Section 3.1. The Committee. The Plan shall be administered by the Committee

Section 3.2. Authority of the Committee. The Committee shall have full power except as limited by law, the Articles of Incorporation or the Bylaws of the Company, subject to such other restricting limitations or directions as may be imposed by the Board and subject to the provisions herein, to recommend to the full Board the size and types of Awards and the terms and conditions of such Awards, in a manner consistent with the Plan; to construe and interpret the Plan and any agreement or instrument entered into under the Plan; to establish, amend or waive rules and regulations for the Plan’s administration; to recommend the amendment of the terms and conditions of any outstanding Award; and to authorize any action of or make any determination by the Company as the Committee shall deem necessary or advisable for carrying out the purposes of the Plan; provided, however, that the terms and conditions of any outstanding Award shall not be amended so as to adversely affect in any material way such Award without the written consent of the Participant holding such Award (or if the Participant is not then living, the Participant’s personal representative or estate), unless such amendment is required by

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applicable law. Further, the Committee shall interpret and make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authorities as identified hereunder.

Section 3.3. Delivery of Stock by Company; Restrictions on Stock. Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any shares of Stock or benefits under the Plan unless such delivery would comply with all applicable laws (including, without limitation, the Code, the Securities Act and the Exchange Act) and applicable requirements of any securities exchange or similar entity. The Committee may recommend that the Board impose such restrictions on any shares of Stock acquired under the Plan as it may deem advisable, including, without limitation, restrictions to comply with applicable Federal securities laws, with the requirements of any stock exchange or market upon which such Stock is then listed and/or traded and with any blue sky or state securities laws applicable to such Stock.

Section 3.4. Approval. The Committee or the full Board shall approve all Awards made under the Plan and all elections made by Participants, prior to their effective date, to the extent necessary to comply with Rule 16b-3 under the Exchange Act.

Section 3.5. Decisions Binding. All determinations and decisions made by the Committee pursuant to the provisions of the Plan and all related orders or resolutions of the Board shall be final, conclusive and binding on all persons, including the Company, its stockholders, Participants and their estates. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award.

Section 3.6. Costs. The Company shall pay all costs of administration of the Plan.

### ARTICLE IV. STOCK SUBJECT TO THE PLAN

Section 4.1. Number of Shares. Subject to Section 4.2 herein, the maximum number of shares of Stock that may be issued pursuant to Awards under the Plan shall be 600,000. Shares of Stock underlying lapsed or forfeited Awards of Restricted Stock shall not be treated as having been issued pursuant to an Award under the Plan. Shares of Stock that are potentially deliverable under an Award that expires or is cancelled, forfeited, settled in cash or otherwise settled without delivery of shares of Stock shall not be treated as having been issued under the Plan. Shares of Stock that are tendered or withheld to satisfy the Option Exercise Price related to a Stock Option or other Award shall be deemed to be shares of Stock issued under the Plan. Shares of Stock issued pursuant to the Plan may be (i) authorized but unissued shares of Stock, (ii) treasury stock, or (iii) shares purchased on the open market.

Section 4.2. Adjustments in Authorized Stock and Awards. In the event of any equity restructuring (within the meaning of Financial Accounting Standards No. 123 (revised 2004)) that causes the per share value of shares of Stock to change, such as a stock dividend, stock split,

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spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, the Committee shall cause there to be made an equitable adjustment to the number and kind of shares that may be issued under the Plan and to the number and kind of shares or units subject to and the exercise price (if applicable) of any then outstanding Awards of Stock Options, Restricted Stock, Restricted Stock Units or any other Awards related to shares of Stock (to the extent such other Awards would not otherwise automatically adjust in the equity restructuring). In the event of any other change in corporate capitalization, such as a merger, consolidation, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence shall be made as may be determined to be appropriate and equitable by the Board upon recommendation of the Committee to prevent dilution or enlargement of rights. In either case, any such adjustment shall be conclusive and binding for all purposes of the Plan. Unless otherwise determined by the Board upon recommendation of the Committee,

the number of shares of Stock subject to an Award shall always be a whole number. In no event shall an outstanding Stock Option be amended for the sole purpose of reducing the Option Exercise Price thereof.

## ARTICLE V. ELIGIBILITY AND PARTICIPATION

Section 5.1. Eligibility and Participation. Subject to the provisions of the Plan, the Committee may, from time to time, recommend to the full Board the Non-Employee Directors to whom Awards shall be granted and shall determine the nature and amount of each Award.

## ARTICLE VI. STOCK OPTIONS

Section 6.1. Grant of Stock Options. Subject to the terms and conditions of the Plan, Stock Options may be granted to a Non-Employee Director at any time and from time to time, as shall be determined by the Board upon recommendation of the Committee. The Committee shall recommend to the full Board the number of shares of Stock subject to Stock Options granted to each Participant (subject to Article IV herein) and, consistent with the provisions of the Plan, terms and conditions pertaining to such Stock Options.

(a) *Dividend Equivalents and Other Distributions.* The Committee shall recommend to the full Board whether and to what extent any Participant shall be entitled to Dividend Equivalents and/or other distributions paid with respect to Stock Options, provided that any such right shall be evidenced by an Award Agreement containing terms and conditions that are consistent with the provisions of Section 409A and applicable guidance promulgated thereunder.

Section 6.2. Stock Option Award Agreement. Each Stock Option grant shall be evidenced by an Award Agreement that shall specify the Option Exercise Price, the term of the Stock Option (which shall not be greater than ten years), the number of shares of Stock to which the Stock

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Option pertains, the Exercise Period and such other provisions as the Board shall determine upon recommendation of the Committee. The Option Exercise Price shall not be less than 100 % of the Fair Market Value of the Stock on the date of grant.

(a) *Vesting.* Except as otherwise recommended by the Committee to the full Board and set forth in the applicable Award Agreement evidencing a Stock Option, each Stock Option shall vest in three installments as follows: (i) on each of the first and second anniversaries of the date of grant, as to one-third of the shares of Stock subject to such Stock Option (with any resulting fractional share rounded to the nearest whole share) and (ii) on the third anniversary of the date of grant, as to the remaining unvested portion of such Stock Option.

Section 6.3. Exercise of and Payment for Stock Options. Stock Options granted under the Plan shall be exercisable at such times and shall be subject to such restrictions and conditions as the Board shall in each instance approve upon recommendation of the Committee and set forth in the Award Agreement. Without limiting the generality of the foregoing, a Participant may exercise a Stock Option at any time during the Exercise Period. Stock Options shall be exercised by the delivery of a written notice (or other method acceptable to the Company) of exercise to the Company or its designee, setting forth the number of shares of Stock with respect to which the Stock Option is to be exercised, accompanied by provision for full payment of the Stock. The Option Exercise Price shall be payable: (i) in cash or its equivalent, (ii) by tendering (by actual delivery of shares or by attestation) previously acquired shares of Stock having an aggregate Fair Market Value at the time of exercise equal to the total Option Exercise Price, (iii) by broker-assisted cashless exercise, (iv) by share withholding or (v) by a combination of (i), (ii), (iii) and/or (iv). As soon as practicable after receipt of a written notification (or other method acceptable to the Company) of exercise of a Stock Option and provisions for full payment therefor, the Company shall (a) deliver to the Participant, in the Participant's name or the name of the Participant's designee, a stock certificate or certificates in an appropriate aggregate amount based upon the number of shares of Stock purchased under the Stock Option, or (b) cause to be issued in the Participant's name or the name of the Participant's designee, in book-entry form, an appropriate number of shares of Stock based upon the number of shares of Stock purchased under the Stock Option.

Section 6.4. Termination of Director Status. Except as otherwise recommended by the Committee to the full Board and set forth in the applicable Award Agreement evidencing a Stock Option, the provisions of this Section 6.4 related to vesting and exercise of Stock Options shall apply.

(a) *Vesting.* Upon a Non-Employee Director's mandatory retirement pursuant to the policies of the Board, the unvested portions of any outstanding Stock Options held by such Non-Employee Director shall fully vest. Upon the termination of a Non-Employee Director's tenure for any other reason, the unvested portions of any outstanding Stock

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Options shall expire and no Stock Options granted to such Non-Employee Director shall vest after the termination of such Non-Employee Director's tenure on the Board.

(b) *Exercise Period.* Upon the termination of the Non-Employee Director's position on the Board of the Company for any reason, each outstanding vested and previously unexercised Stock Option shall expire three months after the date of such termination; provided that (a) upon the termination of a Participant's position on the Board as a result of death or Disability, each outstanding vested and previously unexercised Stock Option shall expire two years after the date of his or her termination as a Non-Employee Director; and (b) upon the mandatory retirement of a Participant pursuant to the policies of the Board, each outstanding vested and previously unexercised Stock Option shall expire five years after the date of his or her termination as a Non-Employee Director. In no event shall the provisions of this Section 6.4 operate to extend the original expiration date of any Stock Option.

Section 6.5 Transferability of Options. Except as otherwise recommended by the Committee to the full Board and set forth in the applicable Award Agreement, all Stock Options granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant or by such Participant's guardian or other legal representative, and no Stock Option granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; provided, however, that the vested portions of Stock Options may be transferred by the Participant during his lifetime to any Family Member. A transfer of a Stock Option pursuant hereto may only be effected by the Company at the written request of a Participant and shall become effective only when recorded in the Company's record of outstanding Stock Options. In the event a



Stock Option is transferred as contemplated herein, such transferred Stock Option may not be subsequently transferred by the transferee except by will or the laws of descent and distribution. Otherwise, a transferred Stock Option shall continue to be governed by and subject to the terms and limitations of the Plan and the relevant Award Agreement, and the transferee shall be entitled to the same rights as the Participant, as if no transfer had taken place. In no event shall a Stock Option be transferred for consideration.

Section 6.6. Change of Control. In the event of a Change of Control, the Stock Options may be assumed by the successor corporation or a parent of such successor corporation or substantially equivalent Stock Options may be substituted by the successor corporation or a parent of such successor corporation, and if the successor corporation does not assume the Stock Options or substitute options, then all outstanding and unvested Stock Options shall become immediately exercisable and all outstanding Stock Options shall terminate if not exercised as of the date of the Change of Control (or other prescribed period of time). The Company shall provide at least 30 days prior written notice of the Change of Control to the holders of all outstanding Stock Options, which notice shall state whether (a) the Stock Options will be

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assumed by the successor corporation or substantially equivalent stock options will be substituted by the successor corporation, or (b) the Stock Options are thereafter vested and exercisable and will terminate if not exercised as of the date of the Change of Control (or other prescribed period of time).

## ARTICLE VII. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

Section 7.1. Grant of Restricted Stock and Restricted Stock Units. Subject to the terms and conditions of the Plan, Restricted Stock and/or Restricted Stock Units may be granted to a Non-Employee Director at any time and from time to time, as shall be determined by the Board upon recommendation of the Committee. The Committee shall recommend to the full Board the number of shares of Restricted Stock and/or Restricted Stock Units granted to each Participant (subject to Article IV herein) and, consistent with the provisions of the Plan, the terms and conditions pertaining to such Awards.

(a) *Dividends, Dividend Equivalents and Other Distributions.* The Committee shall recommend to the full Board whether and to what extent any Participant shall be entitled to cash dividends, Dividend Equivalents and/or other distributions paid with respect to Restricted Stock and Restricted Stock Units, provided that any such right shall be evidenced by an Award Agreement containing terms and conditions that are consistent with the provisions of Section 409A and applicable guidance promulgated thereunder.

Section 7.2. Restricted Stock/Restricted Stock Unit Award Agreement. Each grant of Restricted Stock and/or Restricted Stock Units grant shall be evidenced by an Award Agreement that shall specify the number of shares of Restricted Stock and/or Restricted Stock Units granted, the Period or Periods of Restriction, the conditions upon which Restricted Stock and/or Restricted Stock Units shall no longer be forfeitable, and such other provisions as recommended by the Committee.

Section 7.3. Transferability. Restricted Stock and Restricted Stock Units granted hereunder may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction recommended by the Committee and specified in the Award Agreement. During the applicable Period of Restriction, all rights with respect to the Restricted Stock and Restricted Stock Units granted to a Participant under the Plan shall be available during his or her lifetime only to such Participant or his or her legal representative.

Section 7.4. Restricted Stock Certificates. The Company shall have the right to retain the certificates (if any) representing Restricted Stock in the Company's possession until such time as all restrictions applicable to such shares have been satisfied.

Section 7.5. Forfeiture Restriction. Restricted Stock shall become freely transferable and no longer subject to forfeiture after the last day of the Period of Restriction applicable thereto.

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Unless otherwise determined by the Board upon recommendation of the Committee, the Period of Restriction applicable to Restricted Stock and Restricted Stock Units shall lapse upon the earlier of (i) the date of the Non-Employee Director's death or Disability, (ii) for Awards granted before September 15, 2008, the first anniversary of the date on which the Non-Employee Director is no longer serving on the Board; and (iii) for Awards granted after September 15, 2008, the date on which the Non-Employee Director is no longer serving on the Board. Payment of vested Restricted Stock Units shall be made following the close of the Period of Restriction. Once Restricted Stock is released from the restrictions, the Participant shall be entitled to receive a stock certificate. The Board, upon recommendation of the Committee, may determine whether payment of Restricted Stock Units shall be in cash or shares of Stock (or a combination thereof), which have an aggregate Fair Market Value equal to the value of the Restricted Stock Units at the close of the applicable Period of Restriction. Delivery of Stock shall be effected by either (a) delivery to the Participant, in the Participant's name or the name of the Participant's designee, a stock certificate or certificates in an appropriate aggregate amount based upon the number of shares of Stock underlying the Restricted Stock Units, or (b) book-entry form, in an appropriate number of shares of Stock based upon the number of shares of Stock underlying the Restricted Stock Units.

Section 7.6. Voting Rights. Unless otherwise recommended by the Committee to the full Board and set forth in the applicable Award Agreement, during the Period of Restriction, Participants may exercise full voting rights with respect to the Restricted Stock.

Section 7.7. Change of Control. In the event of a Change of Control, all outstanding Restricted Stock Units shall immediately be payable in Stock upon consummation of the Change of Control.

## ARTICLE VIII. ELECTION TO RECEIVE STOCK IN LIEU OF CASH COMPENSATION

Section 8.1. General. In lieu of receiving the cash compensation, including annual and committee retainer fees (collectively, the "Annual Retainer Fees"), payable for services to be rendered by a Non-Employee Director for any period beginning on June 1 and continuing to the following May 31 (or such other period for which cash compensation is payable to Non-Employee Directors pursuant to the policies of the Board), a Non-Employee Director may make a written irrevocable election to reduce the Annual Retainer Fees by a specified percentage (which percentage shall be in ten percent increments) and receive an equivalent value in Election Shares granted in accordance with this Article VIII.

Section 8.2. Election. The election shall be made on a form prescribed by the Committee and must be returned to the Committee or its designee no later than five business days prior to the period for which the election is to be effective. The election form shall state the amount of cash compensation to be received in the form of Election Shares (expressed as a percentage of the

cash compensation otherwise payable in cash). Such election shall remain in effect until revoked or changed for any subsequent period.

Section 8.3. Issuance of Election Shares. If a Non-Employee Director elects pursuant to Section 8.2 above to receive Election Shares, there shall be issued to such Director on the first day of the period to which such election relates and is effective, a number of Election Shares equal to the amount of compensation otherwise payable divided by the Fair Market Value of the Election Shares. Cash will be paid to the Non-Employee Director in lieu of any fractional Election Shares based upon the Fair Market Value of such fractional Election Share.

#### ARTICLE IX. STOCK AND OTHER AWARDS

Section 9.1. Stock Awards. The Board, upon recommendation of the Committee, shall have the right to issue Stock free of any forfeiture or transferability restrictions.

Section 9.2. Other Awards. The Board, upon recommendation of the Committee, shall have the right to grant other Awards and determine the manner and timing of payment under or settlement of any such Awards.

(a) *Dividends, Dividend Equivalents and Other Distributions*. The Committee shall recommend to the full Board whether and to what extent any Participant shall be entitled to cash dividends, Dividend Equivalents and/or other distributions paid with respect to such other Awards, provided that any such right shall be evidenced by an Award Agreement containing terms and conditions that are consistent with the provisions of Section 409A and applicable guidance promulgated thereunder.

#### ARTICLE X. AMENDMENT, MODIFICATION AND TERMINATION

Section 10.1. The Board may, at any time and from time to time, alter, amend, suspend or terminate the Plan, in whole or in part, provided that no amendment shall be made which shall increase the total number of shares of Stock that may be issued under the Plan, materially modify the requirements for participation in the Plan, or materially increase the benefits accruing to Participants under the Plan, in each case unless such amendment is approved by the stockholders of the Company. The Plan was amended and restated by the Board at a meeting held on September 10, 2006. The Plan was again amended and restated by the Board at meetings held on February 20, 2007 and September 15, 2008.

#### ARTICLE XI. SUCCESSORS

Section 11.1. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such

successor is the result of a direct or indirect purchase, merger, consolidation or otherwise of all or substantially all of the business and/or assets of the Company.

#### ARTICLE XII. GENERAL PROVISIONS

Section 12.1. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural.

Section 12.2. Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

Section 12.3. Requirements of Law. The granting of Awards and the issuance of Stock under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 12.4. Governing Law. To the extent not preempted by Federal law, the Plan, and all agreements hereunder, shall be construed in accordance with, and governed by, the laws of the State of Delaware, except with regard to conflicts of law provisions.

Section 12.5. Code Section 409A Compliance. To the extent applicable, it is intended that this Plan and any Awards granted hereunder comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and any Awards granted hereunder shall be interpreted and construed in a manner consistent with such intent.

Section 12.6. Rights of Board Members. Nothing in this Plan shall interfere with or limit in any way the rights of stockholders of the Company or the Board to elect or remove members of the Board at any time or confer upon any Participant any right to continue as a member of the Board.

Section 12.7. No Right to Specific Assets. Nothing contained in the Plan and no action taken pursuant to the Plan shall create or be construed to create a trust of any kind or any fiduciary relationship between the Company and any Participant, the executor, administrator or other personal representative or designated beneficiary of such Participant, or any other persons. To the extent that any Participant or his executor, administrator, or other personal representative, as the case may be, acquires a right to receive any benefit from the Company pursuant to the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company.

Section 12.8 Rights as a Stockholder. A Participant shall have no rights as a stockholder with respect to any Stock until he shall have become the holder of record of such Stock.

## THE ALLSTATE CORPORATION

## DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

AMENDED AND RESTATED AS OF SEPTEMBER 15, 2008

**I. Purpose.**

The purpose of this Plan is to offer non-employee members of the Board of Directors of the Company the opportunity to defer receipt of cash compensation to which they would otherwise be entitled for services rendered as directors of the Company, as an incentive to their continued participation as such directors. The Plan was amended and restated as of September 15, 2008, to bring the Plan into documentary compliance with Section 409A. The changes made to the Plan's provisions pursuant to the amendment and restatement apply only to Non-Grandfathered Amounts. Grandfathered Amounts remain subject to the provisions of the Plan as in effect prior to the effective date of the amendment and restatement, it being expressly intended that such Grandfathered Accounts remain exempt from the requirements of Section 409A. For ease of reference, the provisions of the Plan applicable to Grandfathered Accounts as well as the provisions of the Plan applicable to Non-Grandfathered Accounts are reflected in this document.

**II. Definitions.**

- A. "Account" and "Accounts" shall have the meanings given to those terms in Section IV.
- B. "Beneficiary" shall mean the person or persons designated from time to time in writing by a Participant to receive payments under the Plan after the death of such Participant, or, in the absence of any such designation or in the event that such designated person or persons shall predecease such Participant, his estate.
- C. "Code" shall mean the Internal Revenue Code of 1986, as amended.
- D. "Committee" shall mean the Nominating and Governance Committee of the Board of Directors of the Company.
- E. "Common Share Unit" shall mean a Deferred Amount which is converted into a unit or fraction of a unit for purposes of the Plan by dividing a dollar amount by the Fair Market Value of one share of the Company's Common Stock.
- F. "Common Stock" shall mean the Common Stock, par value \$.01 per share, of the Company.
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- G. "Company" shall mean The Allstate Corporation.
- H. "Compensation" shall mean cash payments which the Participant would otherwise receive from the Company for services rendered as a Non-Employee Director, including retainer fees and meeting fees.
- I. "Deferred Amount" shall mean an amount of Compensation deferred under the Plan and carried during the deferral period in any Account provided for in the Plan.
- J. "Disability" shall mean, with respect to a Participant's Non-Grandfathered Account, the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. With respect to a Participant's Grandfathered Account, the term "Disability" shall have the same meaning such term had under the Plan as of December 31, 2004.
- K. "Distribution Date" shall mean the date amounts reflected in a Participant's Account are distributed (if the Participant has elected a lump sum) or commence (if the Participant has elected installments).
- L. "Dividend Equivalent" shall mean an amount equal to the cash dividend paid on one share of the Company's Common Stock credited to an Account for each Common Share Unit credited to such Account.
- M. "Fair Market Value" shall mean the price at which a share of the Stock was last sold in the principal United States market for the Stock as of the date for which fair market value is being determined.
- N. "Grandfathered Account" shall mean an Account maintained on the Company's books to accurately reflect the balance of the Participant's Grandfathered Amounts.
- O. "Grandfathered Amounts" shall mean amounts under the Plan that are not subject to Section 409A, which shall include amounts deferred under the Plan before January 1, 2005 (as adjusted for earnings and losses pursuant to Article IV of the Plan), provided that the Plan is not materially modified with respect to such amounts after October 3, 2004, as determined under Treasury Regulations Section 1.409A-6(a).
- P. "Non-Employee Director" shall mean any member of the Board of Directors of the Company who is not an officer or employee of the Company or any of its Subsidiaries.

- Q. “Non-Grandfathered Account” shall mean an Account maintained on the Company’s books to accurately reflect the balance of the Participant’s Non-Grandfathered Amounts.
- R. “Non-Grandfathered Amounts” shall mean amounts under the Plan that are subject to Section 409A, which shall include amounts deferred under the Plan on or after January 1, 2005 (as adjusted for earnings and losses pursuant to Article IV of the Plan) and amounts deferred under the Plan prior to January 1, 2005, to the extent the Plan is materially modified with respect to such amounts after October 3, 2004, as determined under Treasury Regulations Section 1.409A-6(a).
- S. “Notice of Election” shall mean a notice in writing signed by a Non-Employee Director which specifies the type and amount of Compensation to be deferred (or to be discontinued from deferral), the Account or Accounts to which any Deferred Amount is to be credited, the date and manner of distribution of any Deferred Amount and such other information as may be requested by the Company.
- T. “Participant” shall mean any Non-Employee Director who elects to defer any amount of Compensation under the Plan.
- U. “Plan” shall mean The Allstate Corporation Amended and Restated Deferred Compensation Plan for Non-Employee Directors, as it may be amended from time to time.
- V. “S&P 500 Index” shall mean the Standard & Poor’s 500 Composite Stock Price Index.
- W. “Section 409A” shall mean Section 409A of the Code, related regulations and other applicable guidance promulgated with respect thereto.
- X. “Secretary” shall mean the duly elected Secretary of the Company.
- Y. “Sub-Accounts” shall have the meaning given to that term in Section IV.
- Z. “Subsequent Election Form” shall mean the form described in Section V.C pursuant to which a Participant may elect to delay the Distribution Date and/or change the form of payment of an amount under the Plan.
- AA. “Subsidiary” means any partnership, corporation, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at

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the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company or a combination thereof, or (ii) if a partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity, a majority of the partnership or other similar equity ownership interest thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more Subsidiaries of the Company or a combination thereof. For purposes hereof, the Company or a Subsidiary shall be deemed to have a majority ownership interest in a partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity if the Company or such Subsidiary shall be allocated a majority of partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity gains or losses or shall be or control the managing director, the trustee, the manager or the general partner of such partnership, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or other business entity.

- BB. “Unforeseeable Emergency” shall mean (i) with respect to Participant’s Non-Grandfathered Account, a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s beneficiary, or the Participant’s dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), 152(b)(2) and 152(d)(1)(B) of the Code); loss of the Participant’s property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant; but shall not include any of the foregoing to the extent such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant’s assets (to the extent the liquidation of such assets would not cause severe financial hardship), or by cessation of deferrals under the Plan and (ii) with respect to a Participant’s Grandfathered Account, an emergency or unexpected situation in the Participant’s financial affairs including, but not limited to, illness or accident involving the Participant or his/her dependents which, in the opinion of the Committee, presents a severe economic difficulty to the Participant, due to which a distribution of the balance of such Grandfathered Account is appropriate.

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### III. Election to Defer Compensation.

Each Non-Employee Director may elect to defer the payment of all or any part of his or her Compensation into a specified Account by executing and delivering to the Secretary a Notice of Election. Subject to the next sentence, an election to defer payment of Compensation shall continue in effect with respect to all future Compensation until revoked or revised by the execution and delivery to the Secretary of a subsequent Notice of Election. Except as otherwise provided in Section V.D (relating to a Participant’s Grandfathered Account), any such revocation or revision of a Notice of Election shall apply only with respect to Compensation to be earned in calendar years following the calendar year in which the revocation or revision is filed. Except as otherwise provided in Section V.D (relating to a Participant’s Grandfathered Account), each Notice of Election (whether initial or subsequent) shall be effective with respect to Compensation only if submitted no later than the December 31<sup>st</sup> (or such earlier date as the Committee may prescribe from time to time) of the calendar year immediately preceding the calendar year in which such Compensation is earned; provided that, to the extent permitted by Section 409A of the Code, in the first calendar year in which a Participant becomes eligible to participate in the Plan, the

Committee may allow the Participant to submit a Notice of Election within 30 days after the date the Participant first becomes eligible to participate in the Plan, with respect to Compensation payable for services to be performed after the election.

#### IV. Treatment of Deferred Amounts.

The Company shall establish on its books the necessary accounts (individually an "Account" and collectively "Accounts") to accurately reflect the Company's liability to each Participant. Separate Accounts shall be established with respect to Grandfathered Amounts and Non-Grandfathered Amounts. With respect to Non-Grandfathered Accounts, a separate Account shall be established within each such Account for each different Distribution Date and/or form of payment elected by a Participant. Each Account shall be credited or debited, as applicable, to reflect Deferred Amounts, Dividend Equivalents, interest, returns, and distributions. Within each Account, the Company may establish investment sub-accounts (the "Sub-Accounts") to accurately reflect, within each Account, the Company's liability to the Participant based on the Participant's election to have amounts within the Account deemed invested in one or more of the following investment options:

- A. Sub-Account #1 - Interest-Bearing Sub-Account. Compensation deferred into an Interest-Bearing Sub-Account shall be credited to the Sub-Account on the same date when it would otherwise be payable to the Participant. Deferred Amounts carried in this Sub-Account shall earn interest from the date of credit to the date of payment. On the last day of each calendar month, interest at a rate equal to one-twelfth of the per annum interest rate as reported for Dealer Commercial Paper - 90 day in The Wall Street Journal for the first business day of such month shall be

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credited to the amounts previously accrued in the Sub-Account for the period from and including the first day of such month to and including the last day of such month.

- B. Sub-Account #2 - Common Share Unit Sub-Account. Compensation deferred into a Common Share Unit Sub-Account shall be credited to the Sub-Account on the same date when it would otherwise be payable to the Participant. Such Deferred Amounts shall be converted into a number of Common Share Units on the date credited to the Sub-Account by dividing the Deferred Amount by the Fair Market Value on such date. If Common Share Units exist in a Participant's Sub-Account on a dividend record date for the Company's common shares, Dividend Equivalents shall be credited to the Participant's Sub-Account on the related dividend payment date, and shall be converted on such date into the number of Common Share Units which could be purchased with the amount of Dividend Equivalents so credited.

In the event of any change in the Company's common shares outstanding, by reason of any stock split or dividend, recapitalization, merger, consolidation, combination or exchange of stock or similar corporate change, the Secretary shall make such equitable adjustments, if any, by reason of any such change, deemed appropriate in the number of Common Share Units credited to each Participant's Sub-Account. No Common Stock shall be issued or issuable at any time in connection with any Common Share Unit Sub-Account.

- C. Sub-Account #3 - S&P 500 Index Sub-Account. Compensation deferred into the S&P 500 Index Sub-Account shall be credited to the Sub-Account on the same date when it would otherwise be payable to the Participant. On the last day in each calendar month the amounts in the Participant's Sub-Account shall be adjusted by a percentage factor based on the total return (including dividends) of the S&P 500 Index from the date the amounts were credited to the Sub-Account for amounts credited during such month or from the last day of the preceding month for amounts in the Sub-Account on such day. Similar adjustments shall also be made on any date the Sub-Account is debited by reason of any transfer of an amount to another Sub-Account or distribution to the Participant. In the event that the S&P 500 Index is not published for any date referred to above, the S&P 500 Index for the closest day preceding such date for which such Index is published shall be used.
- D. Sub-Account #4 - Money Market Sub-Account. Compensation deferred into a Money Market Sub-Account shall be credited to the Sub-Account on the same date when it would otherwise be payable to the Participant. Deferred Amounts credited to the Sub-Account shall earn additional amounts which will be credited to the Sub-Account on the last day of each calendar month based upon the average yield on the Morgan Stanley Liquid Asset Fund, Inc. for such month, pro rata for

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the portion of such month when such Deferred Amounts were carried in the Sub-Account.

- E. Transfers Between Accounts. Transfers between Sub-Accounts within an Account may be made at any time requested by the Participant upon application to the Secretary.

#### V. Distribution.

- A. Subject to Sections V.D, V.E and V.F, amounts reflected in a Participant's Non-Grandfathered Account(s) shall be distributed (if a lump sum) or commence (if installments), as the case may be, as of the Distribution Date specified in the Participant's Notice of Election form and/or Subsequent Election Form then in effect with respect to such Account(s).
- B. Subject to Sections V.D, V.E and V.F, payment of the amount in each Account shall be either in the form of a lump sum or in annual installments over a period of years not to exceed ten (10) years as selected by the Participant in the applicable Notice of Election form or, with respect to Non-Grandfathered Accounts, a Subsequent Election Form. The amount of any installment payment shall be determined by multiplying the amount to which the Participant would be entitled as a lump sum (which amount includes earnings credited thereon) on the installment date by a fraction, the numerator of which is one and the denominator of which is the number of remaining unpaid installments.
- C. In accordance with such procedures as the Committee may prescribe from time to time, Participants may elect to delay the Distribution Date or change the form of payment of amounts reflected in a Non-Grandfathered Account by submitting a Subsequent Election Form, subject to the following limitations:

1. Such Subsequent Election Form must be filed by the Participant with the Secretary at least 12 months prior to the Distribution Date then in effect with respect to such Non-Grandfathered Account (or by such earlier date as the Committee may prescribe from time to time) and such Subsequent Election Form will not become effective until at least 12 months after the date on which the election is made; and
2. The new Distribution Date shall be a date that is not less than five (5) years from the Distribution Date then in effect with respect to amounts in the Participant's Non-Grandfathered Account to which the Subsequent Election Form relates.

For avoidance of doubt, to the extent a Participant elects to change the form of payment of a Non-Grandfathered Account from installments to a lump sum, Section V.C.2 requires that the new Distribution Date upon which such lump sum

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will be distributed may not be less than five (5) years from the date the first installment would have occurred absent the filing of the Subsequent Election Form.

A Participant may elect to delay the Distribution Date or change the form of payment of amounts reflected in a Non-Grandfathered Account pursuant to this Section V.C more than once, provided all such elections comply with the provisions of this Section V.C.

It is the Company's intent that the provisions of this Section V.C comply with the subsequent election provisions in Code Section 409A(a)(4)(C), related regulations and other applicable guidance, and this Section V.C shall be interpreted accordingly. The Committee may impose additional restrictions or conditions on a Participant's ability to elect a delayed Distribution Date or to change a form of payment pursuant to this Section V.C. The Participant may revoke or change his or her election pursuant to this Section V.C at any time prior to the deadline for making such election, subject to such restrictions as the Committee may prescribe from time to time. Any such revocation or change shall be made in a form and manner determined by the Committee.

- D. Notwithstanding anything herein to the contrary, distribution of Grandfathered Accounts shall commence as of the Distribution Date specified by the Participant in said Participant's applicable Notice of Election form. Any such Distribution Date shall be no later than one year after the Participant's termination from the Board of Directors of the Company. The Participant may revise the terms of distribution of the Participant's Grandfathered Account by submitting a revised Notice of Election, provided that (i) the revised Notice of Election form shall be filed by the Participant with the Secretary not later than twelve months prior to the Participant's normal retirement date from the Board of Directors of the Company, and (ii) in any event, distribution of the Participant's Grandfathered Account shall not commence earlier than twelve months after the Participant's revised Notice of Election form is filed with the Secretary.
- E. Notwithstanding a Participant's election to receive amounts at another time or in another form, in the event of the Participant's death or Disability prior to the Distribution Date or after annual installments to the Participant have commenced but before full distribution has been made, the then remaining balance in each of the Participant's Accounts shall be paid in a lump-sum, in the event of a Disability to the Participant or the Participant's lawful guardian, and in the event of the Participant's death, to the Beneficiary or contingent Beneficiary designated in the Notice of Election form, or to the estate of the deceased Participant if there is no surviving Beneficiary or contingent Beneficiary. In either such event the lump sum payment shall be valued as of the first day of the month following the Participant's date of death or determination of Disability. Payment of amounts in a Participant's Non-Grandfathered Account upon death or Disability shall be paid

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within 90 days following the date of the Participant's death or Disability; provided that neither the Participant nor any other recipient of any amounts payable from the Non-Grandfathered Account shall have the right to designate the taxable year of such payment. A Participant may change the Beneficiary or contingent Beneficiary from time to time by filing with the Secretary a written notice of such change; provided, however, that no such notice of change of Beneficiary shall be effective unless it had been received by the Secretary prior to the date of the Participant's death.

- F. Upon demonstration of an Unforeseeable Emergency by a Participant to the Committee, (i) distribution of a Participant's Non-Grandfathered Account (or a portion thereof), or the remaining balance of any unpaid installments (or a portion thereof), as the case may be, may be made in a lump sum to the extent reasonably necessary to satisfy the Unforeseeable Emergency and (ii) distribution of a Participant's Grandfathered Account, or the remaining balance of any unpaid installments, as the case may be, may be made in a lump sum.
- G. Notwithstanding anything in the Plan to the contrary, if it is not possible to make a payment to a Participant from a Non-Grandfathered Account on the date specified, payment shall be made as soon as practicable thereafter, but in all events no later than sixty (60) days thereafter, provided that neither the Participant nor any Beneficiary may elect, directly or indirectly, when within such period payment shall be made.

## VI. Miscellaneous.

- A. The Board of Directors of the Company may amend or terminate the Plan at any time; however, any amendment or termination of the Plan shall not affect the rights of Participants or Beneficiaries to payment, in accordance with Section V of the Plan, of amounts credited to Participants' Accounts at the time of such amendment or termination. The Board of Directors of the Company and the Secretary may in their discretion prescribe such provisions and interpretations of the Plan as they shall deem necessary or advisable. Expenses of the Plan shall be borne by the Company and its Subsidiaries.
- B. The Plan does not create a trust in favor of a Participant, a Participant's designated Beneficiary or Beneficiaries, or any other person claiming on a Participant's behalf, and the obligation of the Company is solely a contractual obligation to make payments due hereunder. In

this regard, the balance in any Account shall be considered a liability of the Company and a Participant's right thereto shall be the same as any unsecured general creditor of the Company. Neither a Participant nor any other person shall acquire any right, title, or interest in or to any amount outstanding to a Participant's credit under the Plan other than the actual payment of such portions thereof in accordance with the terms of the Plan.

- C. No right or benefit under or interest in the Plan shall be transferable by a Participant, other than by will or the laws of descent and distribution or to a revocable inter vivos trust in which such participant is sole settlor, trustee and beneficiary.
- D. Construction of the Plan shall be governed by the laws of Delaware.
- E. The terms of the Plan shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of all parties in interest.
- F. The headings have been inserted for convenience only and shall not affect the meaning or interpretation of the Plan.
- G. Any amount payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company and the Board of Directors with respect thereto.
- H. Neither the Plan nor any action taken hereunder shall be construed as giving any Non-Employee Director any right to be retained in the service of the Company.
- I. With respect to Non-Grandfathered Amounts, this Plan is intended to be a nonqualified deferred compensation plan maintained in conformity with the requirements of Section 409A and shall be interpreted accordingly. To the extent there is any inconsistency between the Plan terms applicable to Non-Grandfathered Amounts and the terms of any prior Notice of Election or other document related to Non-Grandfathered Amounts, the terms of the Plan applicable to Non-Grandfathered Amounts shall govern. Without limiting the foregoing, to the extent the payment of any Deferred Amounts in Non-Grandfathered Accounts is contingent upon, or the timing or commencement of such amounts is based upon, the Participant's separation from service on the Board of Directors of the Company, the Participant shall not be deemed to have experienced such a separation from service until the Participant has had a "separation from service," as that term is used in Section 409A(a)(2)(A)(i) of the Code and defined in related regulations and other applicable guidance.



**THE ALLSTATE CORPORATION**  
**2006 EQUITY COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

[Addressee]

In accordance with the terms of The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors (the "Plan"), pursuant to action of the Nominating and Governance Committee of the Board of Directors, The Allstate Corporation hereby grants to you (the "Participant"), subject to the terms and conditions set forth in this Restricted Stock Unit Award Agreement and the Plan, which is incorporated herein by reference, Restricted Stock Units (RSUs) as set forth below. Each RSU corresponds to one share of Stock. An RSU is an unfunded and unsecured promise to deliver one share of Stock on the Conversion Date or as otherwise provided herein. Until such delivery, you have only the rights of a general unsecured creditor of The Allstate Corporation and not as a stockholder with respect to the shares of Stock underlying your RSUs.

Number of RSUs Granted:

Date of Grant:

Period of Restriction: As to the total number of RSUs, Date of Grant through the first anniversary of the date on which the Participant is no longer serving on the Board.

Conversion Date: Each RSU will convert to one share of Stock on the date the restrictions lapse with respect to that RSU (the "Conversion Date").

Dividend

Equivalent Right: Each RSU shall include a Dividend Equivalent Right.

1. **Terms and Conditions of Award.** It is understood and agreed that the Award of RSUs evidenced by the RSU Award Agreement is subject to the terms and conditions as set forth herein. Further terms and conditions applicable to the RSU Award including but not limited to termination of director status and change of control, are set forth in the Plan and incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provision of the Plan will govern. Capitalized terms not otherwise defined herein shall have the meanings given them in the Plan. By accepting this Award, the Participant hereby acknowledges the receipt of a copy of this RSU Award Agreement and a copy of the Prospectus and agrees to be bound by all the terms and provisions hereof and thereto.

2. **Forfeiture Restriction.** The Period of Restriction applicable to the RSUs shall lapse upon the earlier of (i) the date of the Participant's death or Disability, and (ii) the first anniversary of the date on which the Participant is no longer serving on the Board.

3. **Conversion Date.** Unless otherwise determined by the Board, a Participant shall be entitled to delivery of shares of Stock that underlie the RSUs then outstanding upon the date the restrictions lapse with respect to such RSU.

4. **Dividend Equivalent Right.** During the Period of Restriction, each RSU entitles a Participant to receive a cash amount equal to such regular dividend payment as would have been made in respect of each share of Stock underlying such RSU in accordance with the following schedule:

<u>Regular Dividend Payment ("RDP"), if any</u>	<u>Dividend Equivalent Payment Date</u>
1 <sup>st</sup> Quarter	January 1 through March 31 of the year RDP paid
2 <sup>nd</sup> Quarter	April 1 through June 30 of the year RDP paid
3 <sup>rd</sup> Quarter	July 1 through September 30 of the year RDP paid
4 <sup>th</sup> Quarter	October 1 through December 31 of the year RDP paid

Cash payment with respect to a Dividend Equivalent right shall be made only with respect to such RSUs that are outstanding on the dividend record date.

5. **Ratification of Actions.** By accepting the RSU Award or other benefit under the Plan, the Participant and each person claiming under or through him or her shall be conclusively deemed to have indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the RSU Award by the Company, the Board or the Nominating and Governance Committee.

6. **Notices.** Any notice hereunder to the Company shall be addressed to its Stock Option Record Office and any notice hereunder to the Participant shall be addressed to him or her at the address specified on this RSU Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

8. **Governing Law and Severability.** To the extent not preempted by Federal law, the RSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of this RSU Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this RSU Award Agreement, and this RSU Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

Thomas J. Wilson  
Chairman, President and  
Chief Executive Officer

THE ALLSTATE CORPORATION



**THE ALLSTATE CORPORATION**  
**2006 EQUITY COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

[Addressee]

In accordance with the terms of The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors (the "Plan"), pursuant to action of the Nominating and Governance Committee of the Board of Directors, The Allstate Corporation hereby grants to you (the "Participant"), subject to the terms and conditions set forth in this Restricted Stock Unit Award Agreement and the Plan, which is incorporated herein by reference, Restricted Stock Units ("RSUs") as set forth below. Each RSU corresponds to one share of Stock. An RSU is an unfunded and unsecured promise to deliver one share of Stock on the Conversion Date or as otherwise provided herein. Until such delivery, you have only the rights of a general unsecured creditor of The Allstate Corporation and not as a stockholder with respect to the shares of Stock underlying your RSUs.

Number of RSUs Granted:

Date of Grant:

Period of Restriction: As to the total number of RSUs, Date of Grant through the earlier of (i) the date of the Participant's death or Disability, and (ii) the date on which the Participant is no longer serving on the Board.

Conversion Date: Each RSU will convert to one share of Stock on the day following the date the restrictions lapse with respect to that RSU.

Dividend

Equivalent Right: Each RSU shall include a right to Dividend Equivalents.

1. Terms and Conditions of Award. It is understood and agreed that the Award of RSUs evidenced by the RSU Award Agreement is subject to the terms and conditions as set forth herein. Further terms and conditions applicable to the RSU Award including but not limited to termination of director status and Change of Control, are set forth in the Plan and incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provision of the Plan will govern. Capitalized terms not otherwise defined herein shall have the meanings given them in the Plan. By accepting this Award, the Participant hereby acknowledges the receipt of a copy of this RSU Award Agreement and a copy of the Prospectus and agrees to be bound by all the terms and provisions hereof and thereto.

2. Forfeiture Restriction. The Period of Restriction applicable to the RSUs shall lapse upon the earlier of (i) the date of the Participant's death or Disability, and (ii) the date on which the Participant is no longer serving on the Board.

3. Conversion Date. Unless otherwise determined by the Board, a Participant shall be entitled to delivery of shares of Stock that underlie the RSUs then outstanding on the day following the date the restrictions lapse with respect to such RSU.

4. Dividend Equivalent Right. During the Period of Restriction, each RSU entitles a Participant to receive a cash amount equal to such regular dividend payment as would have been made in respect of each share of Stock underlying such RSU in accordance with the following schedule:

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Thomas J. Wilson  
Chairman, President and Chief Executive Officer  
THE ALLSTATE CORPORATION

## RESOLUTIONS

**Director Compensation**

RESOLVED, that on June 1 of each year, effective June 1, 2009, directors who are not officers or employees of the Corporation or any of its subsidiaries (each a "Non-Employee Director") who are serving as directors on that date shall be entitled to receive for their service as directors until the next annual meeting of shareholders (i) a \$70,000 annual retainer (the "Annual Retainer") and (ii) a number of restricted stock units ("RSUs") equal to \$150,000 divided by the Fair Market Value, as defined in the 2006 Equity Compensation Plan for Non-Employee Directors, of the Corporation's common stock as of June 1, with any resulting fractional amount rounded up to the next whole RSU.

FURTHER RESOLVED, each Non-Employee Director who serves as a chair of a committee of the Corporation's Board of Directors shall receive an additional \$15,000 fee for each such chair ("Chair Fee") to be paid on June 1 of each year to each Non-Employee Director serving as a committee chair on such date.

FURTHER RESOLVED, that any Non-Employee Director initially elected or appointed to the Board or initially appointed as a committee chair effective on any date other than June 1 shall be entitled to receive (i) on the date he or she joins the Board or becomes such chair, as the case may be, an amount equal to his or her Annual Retainer or Chair Fee, as the case may be (assuming such Non-Employee Director had been serving on the Board or serving as such chair on the preceding June 1) plus (ii) on the date he or she joins the Board, an award of RSUs equal in value to the sum of \$150,000 divided by the Fair Market Value of the Corporation's common stock as of the date the Non-Employee Director joins the Board, in each case multiplied by a fraction, the numerator of which is the number of full calendar months such Non-Employee Director will serve on the Board or as such chair until the following May 31 and the denominator of which is 12.

FURTHER RESOLVED, that effective June 1, 2009, the annual compensation for Non-Employee Directors will no longer include annual stock option awards to purchase shares of the Corporation's common stock under the 2006 Equity Compensation Plan for Non-Employee Directors.

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