

**Annex 1**

**Briggs's Form Policies and Agreements**



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**BRIGGS & STRATTON CORPORATION**

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EXECUTIVE SPLIT DOLLAR LIFE INSURANCE PLAN

**BRIGGS & STRATTON CORPORATION**  
**EXECUTIVE SPLIT DOLLAR LIFE INSURANCE PLAN**

**1. PURPOSE OF THE PLAN**

The purpose of the Briggs & Stratton Corporation Executive Split Dollar Life Insurance Plan (the “Plan”) is to provide those select Officers and Executives who participate in the Plan with an insured death benefit during employment and after retirement through the Company’s participation in the purchase of a life insurance policy on behalf of each Participant. In addition to the insured death benefit, the Company intends that the Insurance Policy will allow for capital accumulation and permit a Participant to surrender the Insurance Policy for its cash value. The Briggs & Stratton Corporation Executive Split Dollar Life Insurance Plan provides a means whereby Briggs & Stratton Corporation may enhance financial security to certain Officers and Executives who have rendered and continue to render valuable service to the Company.

The actual amount of retirement income a Participant may realize from the Insurance Policy will vary by such factors as the Insurance Carrier’s policy dividend crediting rate, the Participant’s retirement age, and the elections he or she makes regarding supplementing his or her retirement income, as well as other factors.

**2. DEFINITIONS**

- 2.1 “Agreement” means the written instrument between an Employee and the Company, wherein the Employee is designated eligible to become a Participant, and whereby the Employee and the Company agree to be bound by the terms and conditions of the Plan.
- 2.2 “Annual Premium” means the amount of consideration determined by the Insurance Carrier and agreed upon by the Company for an Insurance Policy issued under the Plan.
- 2.3 “Assignment” means the written authorization filed with the Insurance Carrier, whereby a Participant assigns certain Insurance Policy rights to the Company, in accordance with the terms of the Agreement.
- 2.4 “Board of Directors” means the Board of Directors of Briggs & Stratton Corporation.
- 2.5 “Company” means the Briggs & Stratton Corporation and its subsidiaries, affiliated companies, and any successor in interest.
- 2.6 “Corporate Capital Interest” means the Insurance Policy’s cumulative Annual Premiums paid less the cumulative amount paid by the Participant pursuant to Section 6.1. The actual amount of the Corporate Capital Interest shall be determined by the Company, and such determination shall be binding upon the Insurance Carrier and any person having an ownership or beneficial interest in the Insurance Policy.
- 2.7 “Disability” shall have the same meaning as under the Briggs & Stratton Corporation Long-Term Disability Plan. Any determinations made pursuant to any Long-Term Disability Plan sponsored by the Company shall be binding for purposes of this Plan.

- 2.8 “Early Retirement Date” means a Participant’s retirement from the Company after he or she attains age fifty-five (55) and completes ten (10) years of service with the Company.
- 2.9 “Effective Date” means July 1, 1999.
- 2.10 “Employee” means an Officer or Executive who receives a Salary for personal services rendered to the Company.
- 2.11 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- 2.12 “Executive” means an Executive of Briggs & Stratton Corporation as approved by the Board of Directors.
- 2.13 “Final Salary” means the Participant’s Salary on his or her Early Retirement Date or Normal Retirement Date. A Participant’s Final Salary is based upon the Participant’s initial Salary growing at an annual assumed rate determined by the Company until his or her Early Retirement Date or Normal Retirement Date.
- 2.14 “Insurance Carrier” means the life insurance company(ies) selected by the Company to issue Insurance Policies with respect to Plan benefits.
- 2.15 “Insurance Policy” means the life insurance policy(ies), together with additional policy benefits and riders, if any, issued by the Insurance Carrier pursuant to the Plan. Except to the extent such defined terms are inconsistent with defined terms under the Plan, insurance terms used herein shall have the same meaning as in the Insurance Policy.
- 2.16 "Joint-Life Policy" means an Insurance Policy(ies) which provides benefits under the terms of the Insurance Policy upon the death of the Participant or his or her spouse, whichever occurs later. The spouse of the Participant must also meet all the terms and conditions of the Insurance Carrier.
- 2.17 “Normal Premium Period” means the time period the Company agrees to pay Annual Premiums for an Insurance Policy issued pursuant to the Plan. The Normal Premium Period shall begin on the issue date of the Insurance Policy and shall continue until the Insurance Policy’s anniversary date on which the Participant attains age sixty-two (62), but in no event shall the Normal Premium Period be for less than seven (7) years.
- 2.18 “Normal Retirement Date” means the date of the Termination of Service of the Participant on or after he or she attains age sixty-two (62) and completes ten (10) years of service or upon the completion of thirty (30) years of service with the Company.

- 2.19 “Officer” means an Officer of Briggs & Stratton Corporation as approved by the Board of Directors.
- 2.20 “Participant” means an Employee of the Company who is designated eligible to participate in the Plan by the Board of Directors and who has met and continues to meet all the applicable eligibility requirements under the Plan.
- 2.21 “Plan” means the Briggs & Stratton Corporation Executive Split Dollar Life Insurance Plan, as amended from time to time.
- 2.22 “Plan Administrator” means the Company unless another person is subsequently designated as the Plan Administrator by the Company and such person accepts the designation.
- 2.23 “Salary” means the Participant’s annual base salary at eligibility growing at an assumed annual rate, determined by the Company, to the Participant’s age sixty-two (62).
- 2.24 “Termination of Service” means the Participant’s ceasing his or her employment with the Company for any reason, whether voluntarily or involuntarily, including by reasons of retirement, death or Disability.

### **3. ADMINISTRATION AND INTERPRETATION OF THE PLAN**

- 3.1 Plan Administrator. Except as otherwise provided in the Plan, the Plan Administrator shall have control over the administration and interpretation of the Plan, with all the powers necessary to carry out the intent of the Plan. The Plan Administrator may adopt such rules and regulations relating to the Plan as the Plan Administrator deems necessary or advisable for the administration of the Plan. The Plan Administrator shall be the Named Fiduciary of the Plan for ERISA purposes and may delegate administrative responsibilities to advisors or other persons. The Plan Administrator may rely upon the information or opinions of legal counsel or experts selected to render advice with respect to the Plan.
- 3.2 Insurance Carrier. The Insurance Carrier shall be responsible for all matters relating to any Insurance Policy. Not in limitation, but in amplification of the foregoing, the Insurance Carrier shall decide whether it will issue an Insurance Policy on the life of a Participant who has otherwise met all of the Plan’s eligibility requirements, or in the case of a Joint-Life Policy, whether it will issue an Insurance Policy that also includes the Participant's spouse as an insured.
- 3.3 Plan Document Shall Control. In the event of any discrepancy or ambiguity between any other documents, communication pieces or plan summaries prepared pursuant to this Plan, other than the Insurance Policy, this plan document shall control.

#### **4. ELIGIBILITY TO PARTICIPATE**

To become and continue to remain a Participant in the Plan, an Employee must meet all of the following requirements:

- (a) Be an Officer or Executive of the Company designated to be eligible to participate in the Plan by the Board of Directors of Briggs & Stratton Corporation;
- (b) Execute an Agreement and make an application to the Insurance Carrier in the manner set by the Plan Administrator;
- (c) The Participant (and in the case of a Joint-Life Policy, the Participant's spouse), must meet the insurability requirements of the Insurance Carrier;
- (d) Sign all documents, including an Assignment, presented by the Plan Administrator necessary or appropriate to carry out the intent of the Plan; and
- (e) Satisfy all provisions of the Plan.

Since participation under the Plan involves the purchase of an Insurance Policy, which is subject to the Participant's insurability (and in the case of a Joint-Life Policy, the insurability of the Participant's spouse), the Company does not guarantee that each Participant will be able to participate in the Plan. Participation in the Plan is in lieu of participation in the Company's Group Term Life Insurance Plan. Once an Insurance Policy is issued to a Participant pursuant to this Plan, the Participant's election between a Single-Life Policy or a Joint-Life Policy is irrevocable and may not be changed.

#### **5. DEATH BENEFITS**

Subject to the Company's right to first recover its Corporate Capital Interest with respect to an Insurance Policy, the death benefit payable under the Plan is the net death benefit payable under the Participant's Insurance Policy as follows:

- 5.1 Death Prior to a Participant Attaining Age 62. If a Participant dies prior to the Insurance Policy's anniversary date on which the Participant attains age sixty-two (62), the Participant's beneficiary under the Insurance Policy shall receive a death benefit approximately equal to two (2) times the Participant's Salary at the time of the Participant's death, to a maximum of \$500,000, less \$50,000. The actual death benefit payable to the Participant's beneficiary will equal the total death benefit payable from the Life Insurance Policy less the Corporate Capital Interest, if any.
- 5.2 Death Subsequent to an Executive Attaining Age 62. If an Executive dies subsequent to the Insurance Policy's anniversary date that he or she attains age sixty-two (62), the Executive's beneficiary under the Insurance Policy shall receive a death benefit of \$100,000. The actual death benefit payable to the Participant's beneficiary will equal the total death benefit payable from the Life Insurance Policy less the Corporate Capital Interest, if any.

- 5.3 Death Subsequent to an Officer Attaining Age 62. If an Officer dies subsequent to the Insurance Policy's anniversary date that he or she attains age sixty-two (62), the Officer's beneficiary under the Insurance Policy shall receive a death benefit of \$200,000. The actual death benefit payable to the Participant's beneficiary will equal the total death benefit payable from the Life Insurance Policy less the Corporate Capital Interest, if any.
- 5.4 Death Benefit – Joint-Life Policy. In order to calculate the Joint-Life Policy equivalent to a Single-Life Policy, a Single-Life Policy illustration is prepared for the Participant. The Company's share of the first year Annual Premium for a Single-Life Policy is then used to determine the Participant's equivalent Joint-Life Policy. The amount of the total death benefit payable from a Joint-Life Policy issued pursuant to the Plan, shall be the amount of death benefit purchased by an Annual Premium equal to the sum of: (i) the Company's Corporate Capital Interest which would have been payable for a Single-Life Policy issued on the Participant in the first year an Annual Premium was due plus (ii) the Participant's value of the economic benefit in the first year of the Insurance Policy using the U.S. Life Table 38. If termination of Company funding has not occurred pursuant to Section 6.3, the actual death benefit payable to the beneficiary of a Joint-Life Policy will equal the total death benefit payable from the Joint-Life Policy less the Corporate Capital Interest, if any.
- 5.5 Amount and Payment of Death Benefit. The amount of death benefit payable shall be determined and paid by the Insurance Carrier from the proceeds of the Insurance Policy upon submission of acceptable proof of death(s) and a claim for benefits. The death benefit payable to a beneficiary shall be in accordance with the terms of the Insurance Policy.
- 5.6 Beneficiary Designation. The death benefit is payable to the beneficiary or beneficiaries designated by the owner of the Insurance Policy. If no such beneficiary is designated, the beneficiary shall be the person or persons entitled to the death benefit under the terms of the Insurance Policy or applicable state law, whichever governs.
- 5.7 Protective Provisions. If an Insurance Policy is issued and a Participant dies by suicide or if it is determined a material misstatement was made in the Insurance Policy Application, the applicable protective provisions of the Insurance Policy will apply. If a Joint-Life Policy is issued and either the Participant or his or her spouse dies by suicide or if it is determined a material misstatement was made in the Insurance Policy Application, the applicable protective provisions of the Insurance Policy will apply.

**6. CONTRIBUTIONS AND FUNDING**

- 6.1 Responsibility of the Participant. The Participant shall be responsible for the income tax attributable to the value of the economic benefit or imputed income he or she receives as a result of the Company's participation in the Plan. The value of the economic benefit received from the Company each year is determined by multiplying the amount of life insurance protection to which the Participant is entitled to by the lower of the government's one-year term ("P.S. 58") rates or the Insurance Carrier's currently published term rates.

If a Joint-Life Policy is issued, the value of the economic benefit is determined each year by multiplying the amount of life insurance protection which the Participant and his or her spouse are entitled to by the government's U.S. Life Table 38. Upon the death of the first of the two insureds, the amount of the economic benefit to the remaining insured for all future years shall be calculated by multiplying the amount of insurance protection by the lower of the government's one-year term ("P.S. 58") rates or the Insurance Carrier's currently published term rates.

Except as otherwise provided in Section 6.3, it is the intention of the Company to reimburse the Participant for his or her share of the Annual Premium (up to a maximum of the total Annual Premium) and the Participant will be responsible for the income tax on this reimbursement.

If a Joint-Life Policy is issued and the Participant dies during the Normal Premium Period, the Company will continue to reimburse the Participant's spouse for his or her share of the Annual Premium (up to a maximum of the total Annual Premium) and the Participant's spouse will be responsible for the income tax on this reimbursement.

- 6.2 Responsibility of the Company. The Company will pay a majority portion of the Annual Premium on the Insurance Policy and will pay a bonus to the Participant equal to his or her share of the Annual Premium.
- 6.3 Termination of Agreement. Notwithstanding any other provision in this Plan, the Agreement between the Company and the Participant shall be terminated upon the occurrence of any of the following events:
- (a) The death of the Participant; or in the case of a Joint-Life Policy, the later of the death of the Participant or his or her spouse.
  - (b) The termination of employment of a Participant, other than by death and prior to his or her Early Retirement Date or his or her Normal Retirement Date.



- (c) The Insurance Policy's anniversary date on which the Participant attains age sixty-two (62), except in certain circumstances where it may be necessary to extend the duration of funding in order to sustain the prescribed death benefit. However, in no event may the Agreement between the Company and the Participant be terminated as a result of an occurrence of an event described in this Section 6.3(c), prior to fifteen (15) years from the issue date of the Insurance Policy.

In the event of a termination described in (a) above, the Company will receive the Corporate Capital Interest and the balance of the death proceeds will be paid to the beneficiary under the Insurance Policy.

In the event of a termination described in (b) above, the Participant may maintain the Insurance Policy by paying the Corporate Capital Interest to the Company. Thereafter, the Company shall have no involvement whatsoever, direct or indirect, in the Insurance Policy. In the event the Participant decides not to maintain the Insurance Policy, he or she shall execute any and all instruments that may be required to transfer ownership of the Insurance Policy to the Company. The Company shall have the right to maintain the Insurance Policy or dispose of the Insurance Policy as it sees fit. The provisions of Section 6.3(b) shall be subject to any applicable severance agreement between the Company and the Participant.

In the event of a termination described in (c) above, the Company will recover the Corporate Capital Interest. The Participant will receive the Insurance Policy, which based upon conservative actuarial assumptions, should provide the targeted death benefit. The actual death benefit provided by the Insurance Policy may be greater than or less than the targeted death benefits described in Section 5.

In the event there are Annual Premiums due in cash subsequent to a Participant's Normal Retirement Date and based on the Normal Premium Period, the Company will continue to pay the Annual Premiums and the Participant will be responsible for his or her share of the Annual Premium. In this instance, it is the intention of the Company to reimburse the Participant for his or her share of the Annual Premiums (up to a maximum of the total Annual Premium) and the Participant will be responsible for the income tax on this reimbursement.

In the event there are Annual Premiums due in cash subsequent to a Participant's Early Retirement Date, and based upon the Normal Premium Period, the Company will continue to pay the Annual Premiums and the Participant will be responsible for payment in cash of his or her share of the Annual Premium. In this instance, it is not the intention of the Company to reimburse the Participant for his or her share of the Annual Premium.

- 6.4 Plan Participation in the Event of a Disability. A Participant who is unable to perform his or her duties as an Employee of the Company due to a Disability, will continue as an active Participant until the attainment of his or her Normal Retirement Date, at which time the provisions of Section 6.3(c) shall apply.

**7. AMENDMENT AND TERMINATION OF THE PLAN**

- 7.1 Amendment. The Company may, at any time, amend the Plan, however, such amendment shall not reduce or modify the level of benefits provided to the Participant prior to the amendment without the prior written consent of the Participant.
- 7.2 Termination. The Company reserves the sole right to terminate the Plan, at any time. In the event of the termination of the Plan, a Participant shall be entitled to the Insurance Policy, reduced by the Corporate Capital Interest as of the date of the termination of the Plan. Thereafter, the Participant will be responsible for all future premiums and the Company shall have no involvement whatsoever, direct or indirect, in the Insurance Policy.

**8. CLAIM PROCEDURE**

All death benefits provided under the Plan are to be paid from the Insurance Policies. The Company has adopted the claim procedure established by the Insurance Carrier as the claim procedure for the Plan. The beneficiary of the proceeds of the Insurance Policy must file a claim for benefits with the Insurance Carrier in whatever form the Insurance Carrier may reasonably require. If the Insurance Carrier denies the claim, the beneficiary who wants to have that denial reviewed will have to follow the Insurance Carrier's claims-review procedure. The Company shall have no liability in the event the Insurance Carrier denies a beneficiary's claim for benefits.

**9. MISCELLANEOUS**

- 9.1 Employment Not Guaranteed by the Plan. Neither this Plan nor any action taken hereunder shall be construed as giving a Participant a right to be retained as an Employee of the Company for any period.
- 9.2 Taxes. The Company shall deduct from each Participant's compensation all applicable Federal or State taxes that may be required by law to be withheld resulting from the Company's funding of the Insurance Policy under the Plan.
- 9.3 Governing Law. Except where preempted by ERISA, the Plan shall be construed and administered according to the laws of the State of Wisconsin.
- 9.4 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Plan Administrator shall be made in writing and in such form as the Plan Administrator shall prescribe. Such communication shall be effective upon mailing if sent by first-class mail, postage prepaid, and addressed to the Company's office at 3300 North 124<sup>th</sup> Street, Wauwatosa, WI 53222-3016.
- 9.5 Agent for Service of Process. The Plan Administrator is designated as the agent to receive service of legal process on behalf of the Plan.

- 9.6 Constructional Rules. When appropriate, the singular as used in this Plan shall include the plural, and vice-versa, and the masculine shall include the feminine, and vice-versa.

## **10. STATEMENT OF ERISA RIGHTS**

Each Participant in the Plan is entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to:

- (a) Examine, without charge, at the Plan Administrator's office all Plan documents.
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- (c) File suit in a federal court if any materials requested are not received within thirty (30) days of the Participant's request, unless the materials were not sent because of matters beyond the control of the Plan Administrator. The court may require the Plan Administrator to pay up to \$100 for each day's delay until the materials are received.

In addition to creating rights for Participants, ERISA imposed obligations upon the persons who are responsible for the operation of the Plan. As "fiduciaries," these persons must act solely in the interest of the Participants and they must exercise prudence in the performance of their Plan duties. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the Plan. The Company may not discriminate against or fire a Participant with the intent of preventing the Participant from obtaining a welfare benefit or exercising his or her rights under ERISA. If a Participant is improperly denied a welfare benefit in full or in part, he or she has a right to file suit in a federal or state court. If Plan fiduciaries are misusing the Plan's money, a Participant has a right to file suit in a federal court or request assistance from the U.S. Department of Labor. If a Participant is successful in the lawsuit, the court may, if it so decides, require the other party to pay his or her legal costs, including attorney's fees.

If a Participant has any questions about the foregoing or his or her rights under ERISA, the Participant should contact the Plan Administrator or the nearest area office of the U.S. Labor-Management Service Administration, Department of Labor.

In witness whereof, the Company has adopted the BRIGGS & STRATTON CORPORATION EXECUTIVE SPLIT DOLLAR LIFE INSURANCE PLAN as of July 1, 1999.

Briggs & Stratton Corporation

By: \_\_\_\_\_ Title: \_\_\_\_\_



FORM NO. 10 - LIFE INSURANCE ASSIGNMENT

SEE REVERSE SIDE FOR  
COMMENTS AND INSTRUCTIONS

FORM DESIGNED, PRINTED, AND DISTRIBUTED  
BY AMERICAN BANKERS ASSOCIATION  
BANK MANAGEMENT COMMISSION

(REVIEWED AND APPROVED 1950)

# ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL

A. For Value Received the undersigned hereby assign, transfer and set over to: Briggs & Stratton  
To the attention of Basanah Preston  
Address 3300 North 124th Street Milwaukee, WI 53222  
its successors and assigns, (herein called the "Assignee") Policy No. [REDACTED] issued by

## THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY MILWAUKEE, WISCONSIN

(herein called the "Insurer") and any supplementary contracts issued in connection therewith (said policy and contracts being herein called the "Policy"), upon the life of [REDACTED]

of Milwaukee, WI and all claims, options, privileges, rights, title and interest therein and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer may have against the Policy. The undersigned by this instrument jointly and severally agree and the Assignee by the acceptance of this assignment agrees to the conditions and provisions herein set forth.

B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this assignment and pass by virtue hereof:

1. The sole right to collect from the Insurer the net proceeds of the Policy when it becomes a claim by death or maturity;
2. The sole right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy and at such other times as the Insurer may allow;
3. The sole right to obtain one or more loans or advances on the Policy, either from the Insurer or, at any time, from other persons, and to pledge or assign the Policy as security for such loans or advances;
4. The sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Policy with respect thereto; provided, that unless and until the Assignee shall notify the Insurer in writing to the contrary, the distributions or shares of surplus, dividend deposits and additions shall continue on the plan in force at the time of this assignment; and
5. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom.

C. It is expressly agreed that the following specific rights, so long as the Policy has not been surrendered, are reserved and excluded from this assignment and do not pass by virtue hereof:

1. The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
2. The right to designate and change the beneficiary;
3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer; but the reservation of these rights shall in no way impair the right of the Assignee to surrender the Policy completely with all its incidents or impair any other right of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be made subject to this assignment and to the rights of the Assignee hereunder.

D. This assignment is made and the Policy is to be held as collateral security for any and all liabilities of the undersigned, or any of them, to the Assignee, either now existing or that may hereafter arise in the ordinary course of business between any of the undersigned and the Assignee (all of which liabilities secured or to become secured are herein called "Liabilities").

E. The Assignee covenants and agrees with the undersigned as follows:

1. That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the persons entitled thereto under the terms of the Policy had this assignment not been executed; and
2. That the Assignee will not exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or a failure to pay any premium when due, nor until twenty days after the Assignee shall have mailed, by first class mail, to the undersigned at the addresses last supplied in writing to the Assignee specifically, referring to this assignment, notice of intention to exercise such right; and;
3. That the Assignee will upon request forward without unreasonable delay to the Insurer the Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.

F. The Insurer is hereby authorized to recognize the Assignee's claims to rights hereunder without investigating the reason for any action taken by the Assignee, or the validity or the amount of the Liabilities or the existence of any default therein, or the giving of any notice under Paragraph E (2) above or otherwise, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the Policy assigned hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the Policy and assigned herein, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be, requested by the Assignee.

G. The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts so paid by the Assignee from its own funds, shall become a part of the Liabilities hereby secured, shall be due immediately, and shall draw interest at a rate fixed by the Assignee from time to time not exceeding 6% per annum.

H. The exercise of any right, option, privilege or power given herein to the Assignee shall be at the option of the Assignee, but (except as restricted by Paragraph E (2) above) the Assignee may exercise any such right, option, privilege or power without notice to, or assent by, or affecting the liability of, or releasing any interest hereby assigned by the undersigned, or any of them.

I. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities, may grant extensions, renewals or indulgences with respect to the Liabilities, or may apply to the Liabilities in such order as the Assignee shall determine, the proceeds of the Policy hereby assigned or any amount received on account of the Policy by the exercise of any right permitted under this assignment, without resorting or regard to other security.

J. In the event of any conflict between the provisions of this assignment and provisions of the note or other evidence of any Liability, with respect to the Policy or rights of collateral security therein, the provisions of this assignment shall prevail.

K. Each of the undersigned declares that no proceedings in bankruptcy are pending against him and that his property is not subject to any assignment for the benefit of creditors.

Signed and Sealed this 1st day of June, 192000

Witness

Owner

(L.S.)

Address

(L.S.)

Beneficiary

Address



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ }ss:  
On the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, before me personally came \_\_\_\_\_, to me known to be the individual \_\_\_\_\_ described in and who executed the assignment on the reverse side hereof and acknowledged to me that \_\_\_\_\_ he \_\_\_\_\_ executed the same.  
\_\_\_\_\_  
Notary Public  
My commission expires \_\_\_\_\_

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ }ss:  
On the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, before me personally came \_\_\_\_\_, who being by me sworn, did depose and say that he resides in \_\_\_\_\_ that he is the \_\_\_\_\_ of \_\_\_\_\_, the corporation described in and which executed the assignment on the reverse side hereof; that he knows the seal of said corporation; that the seal affixed to said assignment is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.  
\_\_\_\_\_  
Notary Public  
My commission expires \_\_\_\_\_

RECEIPT BY INSURER

ASSIGNMENT RECORDED AND FILED AT HOME OFFICE OF THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY. COMPANY ASSUMES NO RESPONSIBILITY AS TO VALIDITY OR EFFECT OF ANY ASSIGNMENT.

AUG 02 2000

BY *Kimberly Boutot* KIMBERLY BOUTOT  
Bfcy. & Title Div.

NOTE: When executed by a corporation, the corporate seal should be affixed and there should be attached to the assignment a certified copy of the resolution of the Board of Directors authorizing the signing officer to execute and deliver the assignment in the name and on behalf of the corporation.

COMMENTS

1. This American Bankers Association Form No. 10 is furnished for the convenience of policyholders of The Northwestern Mutual Life Insurance Company. Life insurance policies in general, and those of this Company, provide that no responsibility is assumed by the Company as to the validity or effect of any assignment.
2. Surrender and policy loan transactions will be expedited if the assignor (insured or other owner of the policy) joins with the assignee; otherwise the procedure of paragraph E. 2. in the assignment will be required.

INSTRUCTIONS

1. The original and duplicate assignment, each executed individually, should be sent to the Home Office, in Milwaukee, Wisconsin. The duplicate assignment will be filed at the Home Office and the original, showing on the reverse side that it has been recorded, will be sent to the assignee with an official acknowledgment from the Home Office.

# **Briggs & Stratton Corporation**

## **Executives Supplemental Life Insurance Plan**

### *Master Plan Document*

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**Effective March 1, 2006**

# Briggs & Stratton Corporation

Executives Supplemental Life Insurance Plan

*Master Plan Document*

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## BRIGGS & STRATTON CORPORATION EXECUTIVES SUPPLEMENTAL LIFE INSURANCE PLAN

Effective March 1, 2006

### Purpose

The purpose of this Plan is to provide selected employees of Briggs & Stratton Corporation, a Wisconsin corporation, and its subsidiaries, if any, that sponsor this Plan, with an employment benefit similar to term life insurance, to supplement any shortfall between the benefits payable under the split-dollar life insurance program offered by the Company and the target benefit of two times salary less \$50,000. Generally, this Plan is intended to provide benefits to **selected officers** of the Company who are not officers subject to Section 16 of the Securities Exchange Act of 1934. *Key employees*

### ARTICLE 1

#### Definitions

For the purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

- 1.1 “Base Salary” shall mean the Participant’s base salary, i.e., the amount of cash compensation payable by the Employer to the Participant excluding bonuses, commissions, overtime, fringe benefits, stock options, relocation expenses, incentive payments, non-monetary awards, director fees and other fees, and automobile and other allowances paid to a Participant for employment services rendered (whether or not such allowances are included in the Employee’s gross income). Base Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant’s gross income under Code Sections 125, 402(e)(3), 402(h), or 403(b) pursuant to plans established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that had there been no such plan, the amount would have been payable in cash to the Employee.
- 1.2 “Beneficiary” shall mean the persons, trusts, estates or other entities, designated on a Beneficiary Designation Form, that are entitled to receive a benefit under this Plan upon the death of a Participant.
- 1.3 “Beneficiary Designation Form” shall mean the form used to designate a beneficiary for a Participant’s split-dollar life insurance benefits, as described in the Split Dollar Life Insurance Agreement (“Split Dollar Agreement”) between a Participant and the Company.
- 1.4 “Board” shall mean the board of directors of the Company.
- 1.5 “Claimant” shall have the meaning set forth in Section 8.1.
- 1.6 “Code” shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.
- 1.7 “Committee” shall mean the committee described in Article 6.
- 1.8 “Company” shall mean Briggs & Stratton Corporation, a Wisconsin corporation, and any successor to all or substantially all of the Company’s assets or business.

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- 1.9 “Employee” shall mean a person who is an employee of any Employer.
- 1.10 “Employer(s)” shall mean the Company and/or any of its subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan as a sponsor.
- 1.11 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.
- 1.12 “Final Salary” shall be the Participant’s Base Salary measured and annualized as of the date on which the Participant’s employment terminates with any Employer due to death.
- 1.13 “Participant” shall mean any Employee who is selected to participate in the Plan. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan even if he or she has an interest in the Participant’s benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.
- 1.14 “Plan” shall mean the Briggs & Stratton Corporation Executives Supplemental Life Insurance Plan, which shall be evidenced by this instrument, as it may be amended from time to time.
- 1.15 “Tax Factor” shall be a decimal, as determined in the sole discretion of the Committee, based on the highest combined Federal and state net effective income tax rate in effect for the year in which a benefit becomes payable to a Participant’s Beneficiary under this Plan. For purposes of calculating the Tax Factor, the (i) Federal income tax rate shall be based on the highest marginal Federal income tax rate, and (ii) the state income tax rate shall be based on the highest marginal state income tax rate for the Participant’s state of residence. Using those rates, the Tax Factor will be determined using the following formula. Assuming that the highest marginal Federal income tax rate, expressed as a decimal, is X, and the highest marginal state income tax rate, expressed as a decimal, is Y, the Tax Factor equals  $(1-X) \times (1-Y)$ . For example, if X is 0.40, and Y is 0.10, the Tax Factor would be .54. The Tax Factor shall be rounded up or down to two decimal places, using normal rounding convention.

## **ARTICLE 2**

### **Selection, Enrollment, Eligibility**

- 2.1 **Selection by Committee.** Participation in the Plan shall be limited to those management or highly compensated Employees who have been selected by the Committee and designated as participants on Schedule A hereto.
- 2.2 **Enrollment Requirements.** As a condition to participation, each selected Employee must have completed, executed and returned to the Committee a Split-Dollar Agreement within the time period specified by the Committee.
- 2.3 **Eligibility; Commencement of Participation.** An Employee selected to participate in the Plan who has met all enrollment requirements set forth in the Plan and required by the Committee, including returning all required documents to the Committee within the specified time period, shall commence participation in the Plan on the first day immediately following the date on which the Employee completes all enrollment requirements.
- 2.4 **Termination of Participation.** If a Participant’s Split Dollar Agreement with the Company is terminated for any reason other than death, all Employers and the Committee shall be fully and

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completely discharged from all further obligations under this Plan with respect to the Participant (or his Beneficiary).

### ARTICLE 3

#### Benefits

- 3.1 **Death while Employed.** If a Participant dies while still employed by the Company, his beneficiary shall be entitled to receive a death benefit equal to the excess of two times his Final Salary less \$50,000 over the benefits that he receives under the Split Dollar Agreement, divided by the applicable Tax Factor.

For example, say a Participant dies while employed by the Company with a Final Salary of \$300,000 and benefits of \$450,000 under the Split Dollar Agreement. If the highest marginal Federal income tax rate, expressed as a decimal, is .40, and the highest marginal state income tax rate, expressed as a decimal, is .10, then the Tax Factor equals .54. The Beneficiary would be entitled to receive a death benefit equal to \$185,185.19, calculated as follows:

$$2 \times \$300,000 = \$600,000$$

$$\$600,000 - \$50,000 = \$550,000$$

$$\$550,000 - \$450,000 = \$100,000$$

$$\$100,000 / .54 = \$185,185.19$$

If the product that results from multiplying the Participant's Final Salary by two less \$50,000 is not greater than the Participant's benefits under the Split Dollar Agreement, there will be no benefit payable under this Section 3.1.

- 3.2 **Death after Termination or Retirement.** If a Participant's employment with any Employer is terminated prior to his death for any reason, no death benefit shall be payable to his Beneficiary under this Plan.
- 3.3 **Payment of Benefits.** Death benefits provided under this Plan shall be paid to the Participant's Beneficiary(ies) in a lump sum payment no later than sixty (60) days after the date on which the Committee is provided with proof, that is satisfactory to the Committee, of the Participant's death.
- 3.4 **Certain Limitations.** The Company may purchase certain life insurance policies on the lives of Participants and the Company shall be the sole owner and beneficiary of these policies at all times. Notwithstanding any other provision of the Plan, no benefits shall be payable under the Plan if death occurs under circumstances such that a policy on the life of a Participant owned by the Company does not pay a full death benefit, as will occur, for example, in the case of suicide within two years after the policy date.

### ARTICLE 4

#### Beneficiary Designation

- 4.1 **Designation of Beneficiary; Change of Beneficiary Designation.** A Participant's Beneficiary shall be determined in accordance with his Beneficiary Designation Form.

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- 4.2 **No Beneficiary Designation.** If a Participant fails to designate a Beneficiary as provided above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefit, then the Participant's designated Beneficiary shall be deemed to be his surviving spouse. If the Participant has no surviving spouse, the benefits under the Plan shall be payable to the executor or personal representative of the Participant's estate.
- 4.3 **Doubt as to Beneficiary.** If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Committee's satisfaction.
- 4.4 **Discharge of Obligations.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under this Plan with respect to the Participant (or his Beneficiary).
- 4.5 **Effect of Divorce.** If a Participant designates the Participant's spouse as a Beneficiary and then becomes divorced from the spouse, the designation of such former spouse as a Beneficiary shall automatically become null and void effective with the date of divorce and such former spouse shall be deemed to have predeceased the Participant.

## **ARTICLE 5**

### **Termination, Amendment or Modification**

- 5.1 **Termination.** Although each Employer anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that any Employer will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, each Employer reserves the right to discontinue its sponsorship of the Plan and/or to terminate the Plan at any time with respect to any or all of its participating Employees, by action of its board of directors or by action of a committee or individual authorized by the board of directors to take such action. However, the termination of the Plan shall not adversely affect any Beneficiary who, at the time of Plan termination, has previously become entitled to the payment of a benefit under the Plan.
- 5.2 **Amendment.** Any Employer may, at any time, amend or modify the Plan in whole or in part with respect to that Employer by action of its board of directors or by action of a committee or individual authorized by the board of directors to take such action; provided, however, that (i) no amendment or modification of this Section 5.2 shall be effective, and (ii) no amendment or modification of the Plan shall affect any Beneficiary who, as of the effective date of the amendment or modification, has previously become entitled to the payment of a benefit under the Plan.

## **ARTICLE 6**

### **Administration**

- 6.1 **Committee Duties.** Except as otherwise provided in this Article 6, this Plan shall be administered by a Committee, which shall consist of the Board, or such committee as the Board shall appoint. Members of the Committee may be Participants under this Plan. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and (ii) decide or resolve any



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and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Company.

- 6.2 **Agents.** In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.
- 6.3 **Binding Effect of Decisions.** The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.
- 6.4 **Indemnity of Committee.** All Employers shall indemnify and hold harmless the members of the Committee and any Employee to whom the duties of the Committee may be delegated, against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members or any such Employee.
- 6.5 **Employer Information.** To enable the Committee to perform its functions, the Company and each Employer shall supply full and timely information to the Committee on all matters relating to the compensation of its Participants, the date and circumstances of the retirement, death or other termination of employment of its Participants, and such other pertinent information as the Committee may reasonably require.

## **ARTICLE 7**

### **Other Benefits and Agreements**

- 7.1 **Coordination with Other Benefits.** The benefits provided for Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

## **ARTICLE 8**

### **Claims Procedures**

- 8.1 **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty (60) days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

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- 8.2 **Notification of Decision.** The Committee shall consider a Claimant's claim within a reasonable time, but no later than ninety (90) days after receiving the claim. If the Committee determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial ninety (90) day period. In no event shall such extension exceed a period of ninety (90) days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. The Committee shall notify the Claimant in writing:
- (a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or
  - (b) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:
    - (i) the specific reason(s) for the denial of the claim, or any part of it;
    - (ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
    - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary;
    - (iv) an explanation of the claim review procedure set forth in Section 8.3 below; and
    - (v) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.
- 8.3 **Review of a Denied Claim.** On or before sixty (60) days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. The Claimant (or the Claimant's duly authorized representative):
- (a) may, upon request and free of charge, have reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits;
  - (b) may submit written comments or other documents; and/or
  - (c) may request a hearing, which the Committee, in its sole discretion, may grant.
- 8.4 **Decision on Review.** The Committee shall render its decision on review promptly, and no later than sixty (60) days after the Committee receives the Claimant's written request for a review of the denial of the claim. If the Committee determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial sixty (60) day period. In no event shall such extension exceed a period of sixty (60) days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. In rendering its decision, the Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

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- (a) specific reasons for the decision;
- (b) specific reference(s) to the pertinent Plan provisions upon which the decision was based;
- (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits; and
- (d) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a).

The Committee has full and complete authority to determine the eligibility for and the extent and scope of benefits hereunder, to interpret the terms of the Plan, to decide any matters presented as part of the claims procedure hereunder and to make a final benefits determination.

- 8.5 **Legal Action.** A Claimant's compliance with the foregoing provisions of this Article 8 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

## ARTICLE 9

### Miscellaneous

- 9.1 **Status of Plan.** The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that is unfunded and is maintained by an employer primarily for the purpose of providing welfare benefits for a select group of management or highly compensated employees within the meaning of 29 CFR § 2520.104-24. The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.
- 9.2 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under this Plan, any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.
- 9.3 **Employer's Liability.** An Employer's liability for the payment of benefits shall be defined only by the Plan. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan.
- 9.4 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.
- 9.5 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such

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employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer, as an Employee, or to interfere with the right of any Employer to discipline or discharge the Participant at any time.

- 9.6 **Furnishing Information.** A Participant or his Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.
- 9.7 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.
- 9.8 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 9.9 **Governing Law.** Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of Wisconsin without regard to its conflicts of laws principles.
- 9.10 **Notice.** Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Briggs & Stratton Corporation  
Attn: Jeff Mahloch  
P.O. Box 702  
Milwaukee, WI 53201-0702

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

- 9.11 **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.
- 9.12 **Spouse's Interest.** The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.



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- 9.13 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.
- 9.14 **Incompetent.** If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.
- 9.15 **Court Order.** The Committee is authorized to make any payments directed by court order in any action in which the Plan or the Committee has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan in connection with a property settlement or otherwise, the Committee, in its sole discretion, shall have the right, notwithstanding any election made by a Participant, to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to that spouse or former spouse.
- 9.16 **Insurance.** The Employers, on their own behalf, and, in their sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Employers may choose. The Employers shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.

The Company has signed this Plan document as of March 1, 2006.

Briggs & Stratton Corporation

By: 

Title: VP Human Resources

**SPLIT-DOLLAR INSURANCE AGREEMENT**  
(Endorsement Method)

THIS AGREEMENT is effective as of this 15<sup>th</sup> day of July, 2004, by and between B s tton, a Wisconsin corporation, hereinafter called "Employer," and \_\_\_\_\_, hereinafter called "Employee". r

WHEREAS, Employee is a valued employee of Employer and Employer wishes to retain Employee in its employ; and

WHEREAS, Employer, as an inducement to such continued employment, wishes to assist Employee with Employee's personal life insurance program;

NOW, THEREFORE, Employer and Employee agree as follows:

1. The life insurance policy with which this Agreement deals is Policy Number 04 (hereinafter called "Policy") issued by The Northwestern Mutual Life Insurance Company (hereinafter called "Insurer") on the life of Employee. Employer shall be the sole Owner of the Policy and the direct beneficiary of an amount of the death proceeds equal to (a) its premiums paid to Insurer and (b) the remaining proceeds, if any, after the payment under Section 2., below. Any indebtedness on the Policy will first be deducted from the proceeds payable to Employer. Also, any collateral assignment made by Employer will be deducted from the proceeds payable to it.

2. So long as this Agreement is in effect, Employee shall have the right to designate and change direct and contingent beneficiaries of an amount of the death benefit not to exceed two times Employee's annual base salary as of the date of his death, or all of the remaining death proceeds if less than said amount, and to elect and change a payment plan for such beneficiaries. Subject to Employer's rights hereunder, Employee shall have the right to assign his interest hereunder. Any such assignment by Employee shall be limited to death proceeds only. (This paragraph will not limit the right of Employer as specified in 1. above).

For purposes of this Agreement, "annual base salary" means the amount of cash compensation payable by Employer to Employee relating to services performed during the related year, excluding bonuses, commissions, overtime, fringe benefits, stock options, relocation expenses, incentive payments, non-monetary awards, director fees and other fees, and automobile and other allowances paid to Employee for employment services rendered (whether or not such allowances are included in Employee's gross income). Annual base salary shall be calculated before reduction for compensation voluntarily deferred or contributed by Employee pursuant to all qualified or non-qualified plans of Employer and shall be calculated to include amounts not otherwise included in Employee's gross income under Internal Revenue Code Sections 125, 402(e)(3), 402(h), or 403(b) pursuant to plans established by Employer; provided, however, that all such amounts will be included in compensation only to the extent that had there been no such plan, the amount would have been payable in cash to Employee.

3. Premiums on the Policy shall be paid by Employer, at such times and in such amounts as the Employer, in its discretion, deems appropriate.

4. Policy dividends shall be applied as directed by Employer but in no event shall such dividends be paid to Employee, nor shall Employee have any incidents of ownership therein.

5. Employer may sell, surrender, change the insured or transfer ownership of the Policy while this Agreement is in effect. Employer may in its discretion first give Employee the option to purchase the Policy during a period of 60 days from notice to Employee of such intention. If Employer chooses to offer this option, the purchase price of the Policy shall be the cash value of the Policy as of the date of transfer to Employee, less any Policy and premium loans and any other indebtedness secured by the Policy. The exercise by Employer of the right to surrender the Policy or to change the insured will terminate the rights of Employee.

6. If Employer has not previously sold, surrendered, changed the insured or transferred ownership of the Policy prior to Employee's Retirement, Employer shall transfer the Policy to Employee upon Employee's Retirement without requirement of any payment of consideration by Employee. Prior to any transfer of the Policy to Employee, Employer shall be entitled to withdraw funds from the Policy first by the surrender of paid up additions and then, at its discretion, through a policy loan or otherwise, receive payment or credit to such an extent that Employer has been repaid in full an amount equal to Employer's premiums paid less any policy indebtedness to the insurer or other indebtedness secured by the cash value of the Policy. "Retirement" for purposes of this Agreement means the later of Employee's qualification for an Unreduced Pension Benefit under the Briggs & Stratton Retirement Plan or the end of the 15<sup>th</sup> year of the Policy.

7. This Agreement shall automatically terminate on the first to occur of the following:

a) Employee's termination of employment with Employer for reasons other than death or Retirement.

b) the date ownership of the Policy is transferred to Employee.

In the event termination occurs by operation of clause (a), Employee's rights (and those of the Employee's designated beneficiaries) under the Policy shall cease as of the termination of this Agreement. Upon such occurrence, Employer shall have full and exclusive ownership rights in the Policy.

In the event termination occurs by operation of clause (b), Employer's rights under the Policy shall cease as of the date ownership of the Policy is transferred to Employee. Upon transfer, Employee shall have full and exclusive ownership rights in the Policy.

8. Employer and Employee can mutually agree to amend this Agreement and such amendment shall be in writing and signed by Employer and Employee.

This Agreement shall bind and inure to the benefit of the Employer and its successors and assigns, the Employee and Employee's heirs, executors and administrators and any Policy beneficiary.

9. Employer may terminate this Agreement without the consent of Employee. In the event that Employer terminates this Agreement as provided herein, Employee's rights under the Policy shall cease as of the date of such termination and Employer shall have full and exclusive ownership rights in the Policy.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without giving effect to the principles of conflict of laws thereto.

11. Neither the establishment or maintenance of this Agreement, nor any action of Employer shall be held or construed to confer upon Employee any right to be continued as an employee of the Employer. Employer expressly reserves the right to discharge Employee at any time.

12. The following provisions are part of this Agreement and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to the extent it applies:

(a) The Plan Administrator shall be the Employer (the "Administrator") unless it shall have appointed some other person, persons or entity to act as Administrator. The Administrator shall have discretion and authority to control and manage the operation and administration of this Agreement and decide all matters arising under the claims procedure described in subparagraph (b) below.

(b) Claims procedure:

(i) If an Employee or his Beneficiary (a Claimant) is denied all or a portion of a benefit under this Agreement, he may file a written claim for benefits with the Administrator. The Administrator or an individual appointed to act on behalf of the Administrator shall review the claim and notify the Claimant of the Administrator's decision within ninety (90) days of receipt of such claim, unless the Claimant receives written notice prior to the end of the 90-day period stating that special circumstances require an extension of the time for decision. In no event will the extension exceed a period of 90 days from the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the claim determination. The Administrator's decision shall be in writing, sent by mail to the Claimant's last known address, and if a denial of the claim, will contain the specific reasons for the denial, reference to pertinent provisions of this Agreement on which the denial is based, a designation of an additional material necessary to perfect the claim and a description of the claim appeal procedures and the time limits applicable to such procedures, including a statement of Employee's right to bring a civil action under Section 502(a) of ERISA following an adverse claim determination on appeal.

(ii) A Claimant is entitled to request a review of any denial by the Administrator, by written request to the Administrator within sixty (60) days of receipt of the denial. (If the Employer is acting as Administrator, such review shall be to the Employer's Board of Directors or a subcommittee of the Board.) Absent a request for review within the 60-day period, the claim will be deemed to be conclusively denied. The Administrator shall afford the Claimant the opportunity to review all pertinent documents and submit issues and comments in writing shall render a review decision in writing, all within sixty (60) days after receipt of a request for review (provided that, in special circumstances the Administrator may extend the time for decision by not more than sixty (60) days upon written notice to the Claimant). If the Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished prior to the termination of the initial 60-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the determination on review. The

Administrator's decision shall be in writing, sent by mail to the Claimant's last known address, and if a denial of the appeal, will contain the specific reasons for the denial, reference to pertinent provisions of this Agreement on which the denial is based, a statement that Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to Claimant's claim for benefits and a statement of Claimant's right to bring an action under Section 502(a) of ERISA.

(iii) The Administrator has full and complete discretionary authority to determine eligibility for and the extent and scope of benefits, to interpret the terms of this Agreement and to decide any matters presented as part of the claims procedure. A denial of benefits may be challenged in court only after review procedures have been exhausted. If challenged in court, determinations by the Administrator shall not be subject to a de novo determination of the claim but to review only and shall not be overturned unless proven to be arbitrary and capricious based upon the evidence considered by the Administrator at the time of the determination.

IN WITNESS WHEREOF the parties have executed this Agreement.

BRIGGS & STRATTON CORPORATION

By: Jeffrey Mahoe

Title: Vice President of Human Resources

  
Employee

**SPLIT DOLLAR INSURANCE AGREEMENT AMENDMENT  
(Endorsement Method)**

WHEREAS, Briggs & Stratton Corporation ("Employer") and \_\_\_\_\_  
("Employee") previously entered into a Split Dollar Insurance Agreement effective as of July  
\_\_\_\_, 2004; and

WHEREAS, Section 8 of the Agreement states that the Employer and Employee can  
mutually agree to amend the Agreement and such amendment shall be in writing and signed by  
Employer and Employee; and

WHEREAS, the Employer and Employee wish to amend the Agreement in order to  
comply with Internal Revenue Code Section 409A and the regulations thereunder;

NOW, THEREFORE, the Employer and Employee agree as follows:

1. Section 6 of the Agreement is amended and restated in its entirety to read as  
follows:

"If Employer has not sold, surrendered, changed the insured or transferred  
ownership of the Policy prior to Employee's Retirement, Employer shall transfer  
the Policy to Employee following his or her Retirement without requirement of  
any payment of consideration by Employee on the later of (i) the first day of the  
seventh month following the Employee's Retirement or (ii) the end of the 15th  
year of the Policy. Prior to any transfer of the Policy to Employee, Employer  
shall be entitled to withdraw funds from the Policy first by the surrender of paid  
up additions, and then, at its discretion, through a policy loan or otherwise,  
receive payment or credit to such an extent that Employer has been repaid in full  
an amount equal to Employer's premiums paid less any Policy indebtedness to the  
insurer or other indebtedness secured by the cash value of the Policy.

For purposes of this Agreement, "Retirement " means Employee's Separation  
from Service (within the meaning of Code Section 409A and regulations  
thereunder) on or after the Employee's qualification for an Unreduced Pension  
Benefit under the Briggs & Stratton Retirement Plan."

EMPLOYER

\_\_\_\_\_

EMPLOYEE

\_\_\_\_\_