הראל ביטוח ופיננסים | בשביל השקט הנפשי שלך

Directors & Officers Liability and Company Reimbursement Insurance - Harel 1/07

In consideration of the payment of the premium, the *insurer* agrees as follows:

1. Insurance Cover

A: **DIRECTORS AND OFFICERS LIABILITY**

The *insurer* shall pay the *loss* of each *insured* resulting from any *claim* first made against the *insured* during the *policy period* and notified to the *insurer* during the *policy period* for any *wrongful act* in the *insured's* capacity as a *director* or *officer* of the *company* except for and to the extent that the *company* has indemnified the *insured.*

B: **CORPORATE REIMBURSEMENT**

The *insurer* shall pay the *loss* of the *company* resulting from any *claim* first made against the *insured* during the *policy period* and notified to the *insurer* during the *policy period* for any *wrongful act* in the *insured's* capacity as a *director* or *officer* of the *company* **but only when and to the extent that the *company* is permitted or required by the law, to indemnify the *insured* for the *loss.***

Subject to the terms and conditions of this policy, the *insurer* shall advance *defence costs* resulting from any *claim* before its final resolution.

2. Definitions

2.1 ***Associated Company*** means any company of which the *policyholder* owns on or before the inception of the *policy period* more than 20 per cent but less than 50 per cent of the issued and outstanding voting shares either directly or indirectly through one or more of its *subsidiaries.*

2.2 ***Claim*** means:

i. any suit or proceeding brought by any person or organisation against an *insured* for monetary damages or other relief, including non-pecuniary relief;

ii. any written demand from any person or organisation that it is the intention of the person or organisation to hold an *insured* responsible for the results of any specified *wrongful act*;

iii. any criminal prosecution brought against an *insured*;
iv. any administrative or regulatory proceeding or official investigation regarding any specified *wrongful act* of an *insured;*
any *claim* or *claims* arising out of, based upon or attributable to a *single wrongful act* shall be considered to be a single *claim* for the purposes of this policy.

2.3 ***Company*** means the *policyholder* specified in Item 1 of the Schedule and any *subsidiary,* division, sector, region, product group or other internal company structure or segment detailed in an organisation chart or similar document and which has been granted this status by the *policyholder* or any *subsidiary* before the date of the *wrongful act.*

2.4 ***Continuity date(s)*** means the date(s) specified in Item 6 of the Schedule. The pending and prior litigation c*ontinuity date* shall be the date from which the *policyholder* has maintained uninterrupted cover with the *insurer*, or with any other insurer if the initial proposal form submitted to such insurer is provided to and accepted by the *insurer* at the inception of this policy, or such other date(s) as agreed with the *insurer.*

2.5 ***Defence costs*** means reasonable and necessary fees, costs and expenses incurred with the written consent of the *insurer* (including premiums for any appeal bond, attachment bond or similar bond, **but without obligation to apply for or furnish any bond)** resulting solely from the investigation, adjustment, defence and appeal of any *claim* **but shall not include the salary of any *insured.***

2.6 ***Director* or *officer*** means any natural person duly appointed or elected as a director, general manager, managing director, deputy general manager, or vice general manager of the *company*, and any other manager who is directly subject to the authority of the general manager, and any other natural person who fulfils a function mentioned above, even if his title differs therefrom.

2.7 ***Discovery period*** means the period of time specified in Extension 4.4, immediately following the termination of this policy during which written notice may be given to the *insurer* of any *claim* first made against the *insured* during such period of time for any *wrongful act* occurring prior to the end of the *policy period* and otherwise covered by this policy.

2.8 ***Employment practice claim*** means any *claim* or series of related *claims* relating to a past present or prospective employee of the *company* and arising out of any actual or alleged unfair or wrongful dismissal, discharge or termination, either actual or constructive, of employment, employment-related misrepresentation, wrongful failure

to employ or promote, wrongful deprivation of career opportunities, wrongful discipline; failure to furnish accurate job references; failure to grant tenure or negligent employee evaluation; or sexual or workplace or racial or disability harassment of any kind (including the alleged creation of a harassing workplace environment); or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures, **provided that the cause of action stipulated in the *claim* does not arise under or derive from infringement of any specific Labour Law, or any stipulation in a group agreement which the *company* is subject to.**

2.9 ***Full annual premium*** means the annual premium level in effect immediately prior to the end of the *policy period.*

2.10 ***Insured*** means any natural person who was, is, or shall become a *director* or *officer* of the *company*. Cover will automatically apply to any natural person who becomes a *director* or *officer* after the inception date of this policy.

2.11 ***Insurer*** means the Harel Insurance Company Ltd.

2.12 ***Loss*** means damages, judgments, settlements and *defence costs;* **however, *loss* shall not include civil or criminal fines or penalties imposed by law, non-compensatory damages including punitive or exemplary damages** (other than damages awarded for libel and slander), **taxes, any amount for which the *insured* is not legally liable or matters which may be considered uninsurable under the law pursuant to which this policy shall be construed.** Damages, judgments, settlements and *defence costs* incurred in more than one *claim* against the *insured* but resulting from a *single wrongful act* shall constitute a single *loss.*

2.13 ***No liability*** means:

(i) a final judgment of no liability obtained prior to trial in favour of all *insureds* by reason of a motion to dismiss or a motion for summary judgment after the exhaustion of all appeals; or

(ii) a final judgment of no liability obtained after trial in favour of all *insureds*, after the exhaustion of all appeals.

In no event shall the term *no liability* apply to a *claim* made against an *insured* for which a settlement has occurred.

2.14 ***Not-for-profit entity*** means an entity registered in the Not For Profit Registrar according to the Israeli Not For Profit Entity Law, 1980, or any similar entity organised under the laws of any other jurisdiction, or a trade association which for the purposes

of this policy shall mean a body of persons, whether incorporated or not, which is formed for the purpose of furthering the trade interests of its members, or of persons represented by its members.

2.15 ***Outside entity*** means any *associated company*, any *not-for-profit entity* or any other corporation, partnership, joint venture or other organisation which has been listed by endorsement to this policy.

2.16 ***Policyholder*** means the organisation specified in Item 1 of the Schedule.

2.17 ***Policy period*** means the period of time from the inception date to the expiry date specified in Item 2 of the Schedule.

2.18 ***Pollutants*** include (but are not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes (but is not limited to) material to be recycled, reconditioned or reclaimed.

2.19 ***Security*** means any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security of the *company*, and shall include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or purchase, voting trust certificate relating to, certificate of deposit for, or other interest in any of the foregoing.

2.20 ***Single wrongful act*** means a *wrongful act* or any related, continuous or repeated *wrongful acts*, whether committed by the *insured* individually or by more than one *insured* and whether directed to or affecting one or more than one person or legal entity.

2.21 ***Subsidiary*** means companies in which the *policyholder,* either directly or indirectly through one or more of its *subsidiaries;*

(i) controls the composition of the board of directors; or
(ii) controls 50% or more of the voting power; or
(iii) holds 50% or more of the issued share capital.

Cover for any *claim* against any of the *directors, officers* and employees of any *subsidiary* shall apply only for *wrongful act(s)* committed while such company is a *subsidiary* of the *policyholder*. However, upon written request by the *policyholder,* the *insurer* shall consider, after assessment and evaluation of the increased exposure, granting cover for *wrongful act(s)* committed prior to the acquisition of the *subsidiary* by the *policyholder*.

2.22 ***Transaction*** means any one of the following events:

(i) the *policyholder* consolidates with or merges into or sells all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert; or

(ii) any person or entity, whether individually or together with any other person or persons, entity or entities acquires an amount of the outstanding shares representing more than 50 per cent of the voting power for the election of *directors* of the *policyholder*, or acquires the voting rights for such an amount of the shares.

2.23 ***Wrongful act*** means any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty of authority or other act by the *insured* in their respective capacities as a *director* or *officer* of the *company* or as a director or officer of any *outside entity*, or any matter claimed against them solely because of their status as a *director* or *officer* of the *company*.

3. Exclusions

The *insurer* shall not be liable to make any payment for *loss* in connection with any *claim* made against the *insured:*

3.1 arising out of, based upon or attributable to:

(i) the gaining in fact of any personal profit or advantage to which the *insured* was not legally entitled;

(ii) profits in fact made from the purchase or sale by the *insured* of *securities* of the *company* within the meaning of Section 16(b) of the Securities Exchange Act of 1934 (USA) and any amendments thereto or similar provisions of any state statutory law;

(iii) the committing in fact of any dishonest or fraudulent act.

For the purpose of determining the applicability of these exclusions, the *wrongful act* of any *insured* shall not be imputed to any other *insured.* These exclusions shall only apply if it is established through a judgment, or any other final adjudication adverse to the *insured,* or any admission by an *insured* that the relevant conduct did in fact occur;

3.2 arising out of, based upon or attributable to the facts alleged or to the same or related *wrongful act(s)* alleged or contained in any *claim* which has been reported

or in any circumstances of which notice has been given under any policy of which this policy is a renewal or replacement or which it may succeed in time;

3.3 **arising out of, based upon or attributable to any pending or prior litigation as of the pending and prior litigation *continuity date* specified in Item 6 (i) of the Schedule, or alleging or deriving from the same or essentially the same facts as alleged in the pending or prior litigation;**

3.4 **which are brought by or on behalf of any *insured* or the *company*; provided, however, that this exclusion shall not apply to:**

(i) any *employment practice claim* brought by any *insured*;

(ii) any *claim* brought or maintained by an *insured* for contribution or indemnity, if the *claim* directly results from another *claim* otherwise covered under this policy;

(iii) any shareholder derivative action brought or maintained on behalf of the *company* without the solicitation, assistance or participation of any *insured* or the *company*;

(iv) any *claim* brought or maintained by a liquidator, receiver or administrative receiver either directly or derivatively on behalf of the *company* without the solicitation, assistance or participation of any *insured* or the *company*;

(v) any *claim* brought or maintained by any former *director* or *officer* of the *company*.

3.5 **arising out of, based upon or attributable to or in any way involving, directly or indirectly, the actual, alleged or threatened discharge, dispersal, release or escape of *pollutants;* or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise *pollutants*, nuclear material or nuclear waste. Provided, however, that this exclusion shall not apply to any *claim* made against the *insured* by any shareholder of the *company* either directly or derivatively, alleging damage to the *company* or its shareholders, unless on or before the pollution *continuity date* specified in Item 6 (ii) of the Schedule, the *company*, the *insured* or any employee of the *company* with managerial responsibilities over environmental affairs, control or compliance, knew or could have reasonably foreseen that there existed any situation, circumstance or *wrongful act* which could have given rise to a *claim* against the *company*, or the *insured*.**

3.6 **in a capacity as trustee or fiduciary under law (statutory or non-statutory including common) or administrator of any pension, profit sharing or employee benefits programme, including but not limited to an actual or alleged violation of**

the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (USA) or the Pensions Act 1995 (UK) and any amendments thereto or any similar provisions of the law, common or statutory, of any state, territory, jurisdiction, or political subdivision thereof;

3.7 arising out of, based upon or attributable to any act or omission in the *insured's* capacity as a director or officer of any entity other than the *company,* or by reason of the *insured's* status as a director or officer of the other entity, other than as provided in Extension 4.3;

3.8 for bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any tangible property, including loss of use thereof; provided, however, that any *claim* for emotional distress shall not be excluded with respect to an *employment practice claim.*

3.9 Based upon arising out of directly or indirectly, resulting from or in consequence of or in anyway involving war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil commotion, acts of sabotage and terrorism, revolution, rebellion, insurrection or military or usurped power or the state of siege or any events which determine the proclamation or maintenance or martial law or state of siege.

3.10 Arising out of, based upon or attributable to any intentional sexual harassment.

4. Extensions

Subject to all of the terms and conditions of this policy, cover is extended as follows:

4.1 ***Representation at Investigations and Examinations***

This policy shall provide cover for any reasonable and necessary fees, costs and expenses incurred with the prior written consent of the *insurer* resulting from any legally required attendance by any *director* or *officer* of the *company* at any official investigation, examination, inquiry or other similar proceeding in relation to the affairs of the *company*.

If the *director* or *officer* of the *company* believes that as a result of such official investigation, examination, inquiry or other similar proceeding, circumstances exist which may reasonably be expected to give rise to a *claim*, notice must be given to the *insurer* of the circumstances and the reasons for anticipating a *claim*, with full particulars as to dates and persons involved in accordance with General provision 5.5.

4.2 ***New Subsidiaries***

Cover under this policy is extended to any *subsidiary* which the *policyholder* acquires or creates after the inception date of this policy provided that the *subsidiary:*

(i) has total gross assets which are less than the amount specified in Item 7 of the Schedule either in the United States of America or Canada; and

(ii) does not have a listing of any of its *securities* on any exchange in the United States of America or Canada.

If a newly acquired or created *subsidiary* fails to meet conditions (i) and (ii) above the *policyholder* may request an extension of this policy for such *subsidiary* provided that the *policyholder* shall give the *insurer* sufficient details to permit the *insurer* to assess and evaluate the *insurer's* potential increase in exposure. The *insurer* shall be entitled to amend the policy terms and conditions, during the *policy period,* including by the charging of a reasonable additional premium.

Unless otherwise agreed, cover as is afforded to the *directors* or *officers* of any *subsidiary* by virtue of this extension shall only apply for *wrongful act(s)* committed while such company is or was a *subsidiary* of the *policyholder*.

4.3 ***Outside Directorships***

Cover includes *loss* arising from any *claim* made against any *insured* who was, is or may become, at the specific request of the *company,* a director or officer of any *outside entity* for any *wrongful act* in the *insured's* capacity as a director or officer of the *outside entity*.

This cover shall be specifically excess of any insurance in force in respect of the *outside entity* as well as any indemnification provided by the *outside entity*. If the other insurance is provided by the *insurer* (or would be provided except for the application of the retention amount or the exhaustion of the limit of liability), then the total aggregate limit of liability for all *loss* covered by virtue of this extension shall be reduced by the limit of liability specified in the schedule of the other insurance provided to the *outside entity.*

The cover provided by this clause shall not apply in connection with any *claim* made against any *insured* by the *outside entity*, any of its directors or officers or any shareholder of the *outside entity* holding more than 20 per cent of the issued and outstanding voting share capital of the *outside entity.*

4.4 ***Discovery Period***

If the *policyholder* refuses to renew this policy, then the *policyholder* shall have the right, upon payment of an additional premium of 25 per cent of the *full annual premium* to a *discovery period* of 12 months following the effective date of non-renewal.

If the *insurer* refuses to offer any terms or conditions to renew this policy, then the *policyholder* shall have the right upon payment of an additional premium of 25 percent of the *full annual premium* to a *discovery period* of 12 months following the effective date of non-renewal.
The *insured* shall be entitled to a 30 day *discovery period* at no additional premium if this policy is not renewed by either the *policyholder* or the *insurer*. If the *policyholder* elects to purchase a *discovery period*, this 30-day *discovery period* shall be part of and not in addition to the purchased *discovery period*.
To purchase the *discovery period*, the *policyholder* must request its purchase in writing within 15 days of the termination date of the policy and must tender the additional premium within 30 days of the termination date.

The additional premium is not refundable and the *discovery period* is not cancellable.
If a *transaction* takes place, then the *policyholder* shall not have the right to purchase a *discovery period* as set out above. However, the *policyholder* shall have the right within 30 days of the end of the *policy period* to request an offer from the *insurer* of a *discovery period* for up to 72 months. The *insurer* shall offer a *discovery period* with terms, conditions and premium as the *insurer* may reasonably decide.

4.5 ***Heirs, Estates and Legal Representatives***
If an *insured* dies, becomes incompetent, insolvent or bankrupt, this policy shall cover *loss* arising from any *claim* made against the estate, heirs, or legal representatives of the *insured* for any *wrongful act* of such *insured.*

4.6 ***Joint Property Liability***
This policy shall cover *loss* arising from any *claim* made against the lawful spouse (whether that status is derived by reason of the statutory law, common law or otherwise of any applicable jurisdiction in the world) of an *insured* for any *claim* arising out of his or her status as the spouse of an *insured* including any *claim* that seeks damages recoverable from marital community property or property jointly held by the *insured* and the spouse; provided, however, **that this extension shall not afford cover for any *claim* for any *wrongful act* of the spouse and that this policy shall apply only to *wrongful act(s)* of an *insured*.**

5. General provisions

5.1 ***Representation***
In granting cover to any one *insured*, the *insurer* has relied upon the material statements and particulars in the proposal together with its attachments and other

information supplied. These statements, attachments and information are the basis of cover and shall be considered incorporated and constituting part of this policy.

5.2 ***Changes in Risk During Policy Period***

(i) If during the *policy period* a *transaction* takes place, then the cover provided under this policy is amended to apply only to *wrongful act(s)* committed prior to the effective date of the *transaction*.

(ii) If during the *policy period*, the *company* decides to make an initial offering of its *securities* in any jurisdiction, whether its *securities* are already traded or not, by any means, public or private, then as soon as the information is publicly available, the *company* shall provide the *insurer* with any prospectus or offering statement for the *insurer's* evaluation and assessment of the increased exposure of the *insured* and the *insurer* shall be entitled to amend the terms and conditions of this policy and/or charge a reasonable additional premium reflecting the increase in exposure.

At the *policyholder's* request, prior to the public announcement of such *securities* offering, the *insurer* shall evaluate and assess the increased exposure and advise of all necessary amendments to the terms and conditions of this policy and additional premium.

In this event and at the request of the *policyholder*, the *insurer* will enter into a confidentiality agreement with the *policyholder* relating to any information provided regarding the proposed *securities* offering.

5.3 ***Limit of Liability***

The limit of liability specified in Item 3 of the Schedule is the total aggregate limit of the insurer's liability for all loss, arising out of all claims made against all insureds under all insurance covers under this policy combined. The limit of liability for the discovery period shall be part of and not in addition to the total aggregate limit of liability for the policy period. Loss arising from any claim which is made subsequent to the policy period or discovery period which pursuant to General provision 5.5 is considered made during the policy period or discovery period shall also be subject to the same total aggregate limit of liability. Defence costs are not payable by the insurer in addition to the total aggregate limit of liability. Defence costs are part of loss and are subject to the total aggregate limit of liability for *loss.*

Notwithstanding the above, and solely in respect of a claim filed against an insured within the jurisdiction of the courts of Israel, It is agreed that pursuant to Section 66 to the Insurance Contract Law 5741-1981, in the event of a loss, including defence costs, exceeding the total aggregate limit of liability for loss, then this policy shall cover reasonable defence costs exceeding the total limit of liability for loss.

"Reasonable Defence Costs" means: fees for lawyers who represents the insured in legal procedures in court in regard with the loss provided always that the identity and the fees of the lawyers were approved by the Insurer prior to the engagement with them.

5.4 ***Retention***

The *insurer* shall only be liable for the amount of *loss* arising from a *claim* which is in excess of the retention amount specified in Item 4 of the Schedule with regard to all *loss* under all insurance covers under this policy for which the *company* has indemnified or is permitted or required to indemnify the *insured*. The retention amount is to be borne by the *company* and shall remain uninsured. A single retention amount shall apply to *loss* arising from all *claims* alleging a *single wrongful act.*

Provided, however, that no retention shall apply and the *insurer* shall thereupon reimburse any *defence costs* paid by the *company*, in the event of:

(i) a determination of *no liability* of all *insureds*, or

(ii) a dismissal or a stipulation to dismiss the *claim* without prejudice and without the payment of any consideration by any *insured.*

Provided, however, that in the case of (ii) above, such reimbursement shall occur 90 days after the date of dismissal or stipulation as long as the *claim* is not re-brought (or any other *claim* which is subject to the same single retention by virtue of this General provision 5.4 is not brought) within that time, and further subject to an undertaking by the *company* in a form acceptable to the *insurer* that such reimbursement shall be paid back by the *company* to the *insurer* in the event the *claim* (or any other *claim* which is subject to the same single retention by virtue of this General provision 5.4) is brought after such 90 day period.

5.5 ***How to Give Notice and Report a Claim***

(i) Notice of a *claim* or of circumstances which may result in a *claim* shall be given in writing to Harel Insurance Company Ltd. 3 Abba Hillel St. Ramat-Gan 52118 fax no: 03-7547840. If posted the date of posting shall constitute the date that notice was given, and proof of posting shall be sufficient proof of notice.

(ii) The *company* or the *insured* shall, as a condition precedent to the obligations of the *insurer* under this policy, give written notice to the *insurer* of any *claim* made against an *insured* as soon as practicable and either:

(a) any time during the *policy period* or during the *discovery period;*
or

(b) within 30 days after the end of the *policy period* or the *discovery period*, as long as such *claim(s)* is reported no later than 30 days after the date such *claim* was first made against an *insured.*

(iii) If, during the *policy period* or during the *discovery period* written notice of a *claim* against an *insured* has been given to the *insurer* pursuant to the terms and conditions of this policy, then any *claim* arising out of, based upon or attributable to the facts alleged in the *claim* previously notified to the *insurer* or alleging a *single wrongful act* which is the same as or related to any *wrongful act* alleged in the previously notified *claim*, shall be considered made against the *insured* and reported to the *insurer* at the time the first notice was given.

(iv) If during the *policy period* or during the *discovery period*, the *company* or the *insured* shall become aware of any circumstances which may reasonably be expected to give rise to a *claim* being made against an *insured* and shall give written notice to the *insurer* of the circumstances and the reasons for anticipating a *claim*, with full particulars as to dates and persons involved, then any *claim* which is subsequently made against an *insured* and reported to the *insurer* arising out of, based upon or attributable to the circumstances or alleging any *wrongful act* which is the same as or related to any *wrongful act* alleged or contained in those circumstances, shall be considered made against the *insured* and reported to the *insurer* at the time the notice of the circumstances was first given.

5.6 ***Advancement of Costs***

The *insurer* shall advance to the *insured* or the *company defence costs* under all insurance covers under this policy before the final disposition of the *claim*.

The advance payments by the *insurer* shall be repaid to the *insurer* by the *company* or the *insured,* severally according to their respective interests, in the event and to the extent that the *company* or the *insured* shall not be entitled to payment of the *loss* under the terms and conditions of this policy.

In the event and to the extent that the *company* is permitted or required to indemnify the *insured* but for whatever reason fails to do so, the *insurer* will advance all *defence costs* to the *insured* on behalf of the *company*. In this case, however, the retention amount specified in Item 4 of the Schedule shall be repaid by the *company* to the *insurer,* unless the *company* is insolvent.

5.7 ***How Defence Will Be Conducted***

The *insured* shall have the right and duty to defend and contest any *claim.* The *insurer* shall have the right to effectively associate with the *insured* and the *company* in the defence and settlement of any *claim* that appears reasonably likely to involve the *insurer,* including but not limited to effectively associating in the negotiation of any settlement.

The *insured* shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment or incur any *defence costs* without the prior written consent of the *insurer* as a condition precedent to the *insurer's* liability for *loss* arising out of the *claim.*

Only those settlements, stipulated judgments and *defence costs* which have been consented to by the *insurer* shall be recoverable as *loss* under the terms of this policy. The *insurer's* consent shall not be unreasonably withheld, provided that the *insurer* shall be entitled to effectively associate in the defence and the negotiation of any settlement of any *claim* in order to reach a decision as to reasonableness.

The *company* and the *insured* shall give the *insurer* full co-operation and all information as it may reasonably require as a condition precedent to the *insurer's* liability for *loss* arising out of the *claim*. In the event that a dispute arises between the *insurer* and the *insured* regarding whether or not to contest any legal proceedings, neither the *insured* nor the *company* shall be required to contest any legal proceedings unless a Queen's Counsel or equivalent (to be mutually agreed by the *policyholder* and the *insurer*) shall advise that the proceedings should be contested. The cost of the Queen's Counsel shall be borne by the *insurer*.

5.8 **Allocation**

(i) **The *insurer* has no obligation under this policy for *defence costs* incurred by the *company*, or any judgments rendered against or settlements by the *company*, or any obligation to pay *loss* arising out of any legal liability that the *company* has to the third party claimant.** Accordingly, with respect to:

(a) *defence* costs jointly incurred by;

(b) any joint settlement made by; and/or

(c) any adjudicated judgment of joint and several liability rendered against the *company* and any *insured*, the *company* and the *insured* and the *insurer* agree to use their best efforts to determine a fair and proper allocation of the amounts as between the *company* and the *insured* and the *insurer*, taking into account the relative legal and financial exposures of and the relative benefits obtained by the *insured* and the *company.*

(ii) In the event that any *claim* involves both covered matters and matters not covered under this policy, a fair and proper allocation of any *defence costs*, judgments and/or settlements shall be made between the *company*, the *insured* and the *insurer* taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this policy.

(iii) In the event that a determination as to the amount of *defence costs* to be advanced to the *insured* under this policy cannot be agreed to, then the *insurer* shall advance *defence costs* which the *insurer* states to be fair and proper until

a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

5.9 ***Cancellation Clause***

This policy may be cancelled by the *policyholder* at any time only by mailing written prior notice to the *insurer* or by surrender of this policy to the *insurer* or to its authorised agent. This policy may also be cancelled by or on behalf of the *insurer* by delivering to the *policyholder*, or by mailing to the *policyholder*, by registered, certified, or other first class mail, at the *policyholder's* address as shown in Item 1 of the Schedule, written notice stating when, not less than sixty (60) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The *policy period* terminates at the date and hour specified in such notice, or at the date and time of surrender.

If this policy shall be cancelled by the *policyholder*, the *insurer* shall retain the customary short rate proportion of the premium hereon.

If this policy shall be cancelled by the *insurer*, the *insurer* shall retain the pro rata proportion of the premium hereon.

Payment or tender of any unearned premium by the *insurer* shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

5.10 ***Subrogation***

In the event of any payment under this policy, the *insurer* shall be subrogated to the extent of such payment to all of the *company's* and the *insured's* rights of recovery in respect of the payment, and the *company* and the *insured* shall execute all papers required and shall do everything that may be necessary to secure any rights including the execution of any documents necessary to enable the *insurer* effectively to bring suit in the name of the *company* and/or the *insured.*

5.11 ***Other Insurance***

Any insurance as is provided under this policy shall apply only as excess over any other valid and collectible insurance.

5.12 ***Notice and Authority***

It is agreed that the *policyholder* shall act on behalf of its *subsidiaries* and all *insureds* with respect to the giving and receiving of notice under this policy, including the giving of notice of *claim*, the payment of premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy and the exercising or declining to exercise any right to a *discovery period.*

5.13 ***Assignment***

This policy and any rights hereunder cannot be assigned without written consent of the *insurer*.

5.14 ***Jurisdiction and Governing Law***

Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of the State of Israel.

The parties agree to submit to the exclusive jurisdiction of the courts in the State of Israel (Tel Aviv or Jerusalem).

5.15 ***Plurals and Titles***

The titles of these paragraphs are for convenience only and do not lend any meaning to this contract. In this policy words in italics have special meaning and are defined.

ENDORSEMENT #1
WORDING AMENDMENTS - EASY STARTUP

Preamble:		The words: "or the undertaking of the *policyholder* to pay the premium" shall be added after the words: "In consideration of the payment of the premium"
Insurance Cover B:		The words: "is permitted or required" are deleted and replaced by: "has indemnified".
Definitions:		
2.1	**Associated Company:**	Definition 2.1 is deleted and replaced by the following: "any entity of which the *policyholder* owns/owned on or before the inception of the *policy period,* or creates or acquires during the *policy period,* less than 50 per cent of the issued and outstanding voting shares or share capital either directly or indirectly through one or more of its *subsidiaries".*
2.2	**Claim:**	Definition 2.2 is amended as follows: 1. Sub clause (i) - after the words "any suit or proceeding brought" the words "including but not limited to any civil proceeding, third party proceeding, counter claim, arbitration or mediation proceeding with the prior written consent of the insurer" are added. 2. Sub clause (iii) - after the word "prosecution" the words "or proceeding including but not limited a civil, criminal, administrative or regulatory investigation" are added. 3. Sub clause (iv) - the word "official" is deleted.
2.5	**Defence costs:**	1. After the words "with the written consent of the insurer" the words "which shall not be unreasonably withheld or unduly delayed" are added. 2. The following clause is added: "for the avoidance of any doubt, it is agreed that should a conflict of interests appears to exist between any of the *insured*s, then at their request and always subject to the written consent of the insurer, which shall not be unreasonably withheld or unduly delayed, separate counsel may be appointed to protect their respective interests. For the avoidance of any doubt, *defence costs* shall include the

		reasonable or necessary fees, cost and expenses incurred in the defence of any administrative investigation or action which may result in pecuniary penalties being awarded against an *insured*, provided that the *insurer* is not legally prohibited from paying such costs".
2.6	**Director or officer**	Definition 2.6 is amended as follows: Director or officer means any natural person (or entity according to Section 235 of the Israeli Companies Law, 5759–1999) who was, now is or shall serve as a *director or officer* of the *company* including but not limited to: a director, substitute director, general manager, managing director, deputy general manager, vice general manager, chief business officer, chief financial officer, comptroller, internal CISO, internal DPO, internal legal counsel, company secretary, observer (active or otherwise) participating in board meetings of a company, internal auditors, *company* spokesman, Person in charge in the matter of Prevention of Sexual Harassment Law and any employee in managerial or supervisory capacity and any other manager who is directly subject to the authority of the general manager, and any other natural person who fulfils a function mentioned above, even if his title differs therefrom. The term *director or officer* includes any *director or officer* of the *company* within the meaning of any applicable statutes, governing such matters within the jurisdiction of the domicile of the *company*.
2.8	**Employment practice claim**	1. After the words "policies and procedures" the following is added ";retaliation action (including lockouts); 2. The words "Provided that the cause of action stipulated in the claim does not arise under or derive from infringement of any specific Labour Law, or any stipulation in a group agreement which the company is subject to" are deleted.
2.10	**Insured**	The definition of *Insured* is expressly extended to include the following: 1. any person in his capacity as a non-salaried *director* and/or *officer* of the *company* in accordance with management agreement between the *company* and the entity on behalf of the natural person that receives the payment for the services of the natural person under an Invoice. It is also hereby declared and agreed that the *insurer* waives right of subrogation against that entity and its employees, unless fraudulent or malicious conduct on his/their part is established. 2. any person appointed to act as a member of any committee of the *company*. 3. With respect to *Employment practice claims*, *Insured* shall also include any past, present or future employee of the *company*.

2.12	**Loss**	Definition of Loss is deleted and replaced by the following: "*Loss* means damages, judgments, settlements and *defence costs* including, financial obligations imposed on the *insured*, in favor of a third party in respect of a *wrongful act*, committed while serving in a capacity of a *director* or *officer* of the company. However, *loss* shall not include criminal fines or penalties imposed by law, non-compensatory damages (other than damages awarded for libel and slander), taxes, any amount for which the *insured* is not legally liable or matters which are uninsurable under the law pursuant to which this policy shall be construed. Except for in the USA/Canada, Loss shall also include civil fines and penalties and punitive or exemplary damages as long as such damages and/or fines and penalties are insurable under the applicable law. Damages, judgments, settlements and *defense costs* incurred in more than one *claim* against the *insured* but resulting from a *single wrongful act* shall constitute a single *loss*". For the avoidance of any doubt, the policy covers, pursuant to the Law for Improvement of Enforcement Proceedings of the Securities Authority 2011, Defence Costs incurred by the *Insured* and/or damages imposed pursuant to the said law in favour of third parties that sustained a *loss* as a result of a *Wrongful Act* by an *Insured*, subject to the terms & conditions of the *policy*. This clarification shall not apply to any loss which is legally forbidden to insure.
2.13	**No liability**	The definition is hereby deleted.
2.15	**Outside Entity**	Definition of Outside Entity is deleted and replaced by the following: "*Outside entity* means any associated company, any *not-for-profit entity* or any other corporation, Partnership, or joint venture in which the participation of the *company* is more that 10%. Outside entity shall also mean other organization which has been listed by an endorsement to this policy.
2.21	**Subsidiary**	Definition of Subsidiary is amended by adding the following: 1. Sub-clause (iv) is added: (iv) has the right to appoint or fire the General Manger. 2. *Subsidiary* shall also mean any registered partnership where the *policyholder* or any of its *subsidiaries* own half or more the rights described in the subsections above and any partnership listed hereon. 3. The term *subsidiary* will also include any *subsidiary* of a *subsidiary*. 4. After the words "for *wrongful act(s)* committed while such *company* is", the words "or was" are added.
2.22	**Transaction**	Definitions of Transaction is amended as follows: 1. Sub-clause (ii) is deleted and replaced by the following:

		(ii) any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote at general meetings of the *company* or control the appointment of *directors* who are able to exercise a majority of votes at Board meetings of the *company;* or 2. The following sub-clauses are hereby added: (iii) the *policyholder* becomes a subsidiary of another entity or becomes controlled by another entity; or (iv) the insolvency, receivership, bankruptcy or liquidation of the *policyholder.*
2.23	**Wrongful act**	Definition of Wrongful act is deleted and replaced by the following: Wrongful act means any actual or alleged error, *misstatement*, miss-presentation, misrepresentation, misleading statement, act, omission, neglect, breach of duty, breach of trust or breach of warranty of authority or misuse of authority, breach of contract, libel, slander, defamation, or other act of the *insured* in the discharge of their duties, individually or collectively, in their respective capacities as *director or officer* of the *company* or as *director or officer* of any *outside entity*, or any matter claimed against them solely by reason of their being *directors and/or officers* of the *company* or any *outside entity*. For the avoidance of any doubt and without derogation from the generality of the above, in regard to Israel, but only the extent that such definition does not derogate from the coverage granted by this policy, wrongful act shall also include the following: (i) A breach of duty of care towards the *company* or any other person. (ii) A breach of fiduciary duty towards the *company* provided that the *insured* acted in good faith and has reasonable grounds to believe that such act should not prejudice the interests of the *company*. (iii) Financial obligations imposed on the *insured* in favor of a third party, in respect to any act committed by them in their capacity as *directors or officers* of the *company*.

4. Exclusions:	
	Clarification: For the avoidance of doubt, the last paragraph of exclusion 3.1 (the words: "for the purpose of determining… did in fact occur") shall apply to all policy's Exclusions.
3.1	The following sub clause is added: "(iv) with regards to entities registered in Israel, any act or omission which is deemed uninsurable in accordance with article 96(44) of the Companies Ordinance (New version) 5743-1983 or in accordance with article 263 of the Companies Law 5759-1999.
3.4	Exclusion 3.4 is subject to the following amendments: 1. After the words "any insured or the company" in the opening line the words "brought or maintained in the jurisdiction of the USA or Canada" are added. 2. Sub clause (iii) – the word "shareholder" is deleted. 3. Sub clause (iv) - after the words "administrative manager" the words "trustee or any other manager by court of law or other official authority" are added. 4. The following Sub clauses are added: (vi) Whistleblower claims under the applicable law. (vii) *claims* initiated as a result of orders of any public or official supervisory authorities.
3.5	Exclusion 3.5 is subject to the following amendments: 1. The word "shareholder" is replaced by the words "security holder". 2. The following clause is added, except for Claims brought or maintained in the jurisdiction of the USA or Canada: "notwithstanding the above the policy in extended to cover *defence costs* incurred by the *insured* in the defense of pollution claims up to Sub-Limit of USD 150,000 any one claim and in the aggregate. This Sub-Limit of Liability is part of and not in addition to the total aggregate limit of liability specified in Item 3 of the Schedule and will in no way serve to increase the *insurer's* limit of liability as specified therein.
3.8	The final sentence of exclusion 3.8 is amended as follows: "provided, however, that any *claim* for emotional distress shall not be excluded with respect to an *employment practice claim*, libel or slander.
3.9	Exclusion 3.9 is deleted and replaced by the following: it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

	(1) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or (2) Any act of terrorism. For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear. This exclusion applies also to any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.
3.10	Exclusions 3.10 is deleted and replaced by the following: Alleging that such Insured committed sexual harassment, in the following cases: (i) It has been established through a judgment or any other final adjudication adverse to the Insured or any admission by the Insured, that such Insured indeed committed sexual harassment; or (ii) The claim against such Insured was concluded by compromise settlement; or (iii) In case the Insured fails to take all measures required from an employer stipulated in the law of prevention of sexual harassment – 1998.
The following exclusions are added to the policy:	
3.11	**ASBESTOS EXCLUSION** This Insurance does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity, provided that the loss or losses are caused or contributed to by hazardous properties of asbestos.
3.12	**NUCLEAR HAZARD EXCLUSION** This insurance does not cover any losses, costs or expenses arising directly or indirectly out of nuclear fission, nuclear radiation or radioactive contamination resulting therefrom, irrespective of whether other causes have contributed to the claim. Subject to all of the terms, conditions and exclusions of

	this policy.
3.13	**PROSPECTUS EXCLUSION — ALL SECURITIES** It is hereby understood and agreed that the *insurer* shall not be liable to make any payment for *loss* in connection with any *claim* made against the *insured* based upon or attributable to the actual or intended private placement or public offering of any *securities* of the *company.* However, in the event of any private placement or public offering the *insurer* may consider in its sole discretion the removal of this exclusion but consideration of such removal is subject to receipt from the *company* and written acceptance by the *insurer* of: (i) a written declaration signed and dated by the Chairman or Chief Executive Officer stating that the offering is not in contravention of the Articles of Association, Constitution, laws or bye-laws of the *company* and that after enquiry to the best of his knowledge and belief he is not aware of any circumstance which could give rise to a *claim* against any *insured* or the *company* and (ii) a copy of all filings and/or documents which have been or are presented to any relevant authority and/or the existing and/or prospective shareholders or stockholders of the *company;* and (iii) such additional premium together with agreement to any revised terms, conditions and/or exclusions as may be required by the *insurer.* It is further agreed that this exclusion shall only be removed by written endorsement issued by the *insurer* specially deleting this endorsement from the policy.
3.14	**SANCTION LIMITATION AND EXCLUSION CLAUSE** No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

4. Extensions		
4.1	**Representation at Investigations and Examinations**	**Extension 4.1 is deleted and replaced by the following:** This policy shall provide cover for any reasonable and necessary fees, costs and expenses incurred with the prior written consent of the *insurer*, which shall not be unreasonably withheld or unduly delayed, resulting from: any attendance by any *insured* or employee of the *company* in a managerial capacity at any official investigation, examination, administrative investigation, inquiry or other similar proceeding in relation to the affairs of the *company.* If an *insured* of the *company* believes that as a result of such official investigation, examination, inquiry or other similar proceeding, circumstances exist which may reasonably be expected to give rise to a *claim,* notice must be given to the *insurer* of the circumstances and the reasons for anticipating a *claim,* with full particulars as to dates and persons involved in accordance with General provision 5.5.
4.3	**Outside Directorships**	Extension 4.3 is subject to the following amendments: 1. The word "insured" in the second sentence is replaced by the word "person". In the third paragraph is deleted and replaced by the following: The cover provided by this clause shall not apply in connection with any claim brought or maintained in the jurisdiction of USA or Canada and made against any insured by the outside entity and/or any of its directors or officers. Provided, however, that the above shall not apply to: (i) any employment practice claim brought by any directors or officers of the outside entity; (ii) any for contribution or indemnity, if the claim directly results from another claim otherwise covered under this extension; (iii) any derivative action brought or maintained on behalf of the outside entity without the solicitation, assistance or participation of any director or officer of the outside entity; (iv) any claim brought or maintained by a liquidator, receiver or administrative receiver, trustee or any other manager by court of law or other official authority either directly or derivatively on behalf of the outside entity without the solicitation, assistance or participation of any director or officer of the outside entity; (v) any claim brought or maintained by any former director or officer

		of the outside entity. (vi) Whistleblower claims under the applicable law. (vii) claims initiated as a result of orders of any public or supervisory authorities.
4.4	**Discovery Periods**	**Extension 4.4 is deleted and replayed by the following:** If the *policyholder* refuses to renew this policy or the *policyholder refuses to renew this policy*, then the *policyholder* shall have the right to purchase *discovery period* of 12 months for 100 per cent of the *full annual premium*. The *insured* shall be entitled to a 60 day *discovery period* at no additional premium if this policy is not renewed by either the *policyholder* or the *insurer*. If the *policyholder* elects to purchase a *discovery period*, this 60-day *discovery period* shall be part of and not in addition to the purchased *discovery period*. To purchase the *discovery period*, the *policyholder* must request its purchase in writing within 30 days of the termination date of the policy and must tender the additional premium within 60 days of the termination date. The additional premium is not refundable and the *discovery period* is not cancellable. If a *transaction* takes place, then the *policyholder* shall not have the right to purchase a *discovery period* as set out above. However, the *policyholder* shall have the right within 60 days of the end of the *policy period* to request an offer from the *insurer* of a *discovery period* for up to 72 months. The *insurer* shall offer a *discovery period* with terms, conditions and premium as the *insurer* may reasonably decide.
The following extensions are added to the policy:		
4.7	**Crisis Communication Extension**	If the *company* reasonably considers that urgent action is needed in order to avert or mitigate a *loss* for which coverage would apply, the *company* shall be entitled to employ the services of a Public Relations Consultancy to be approved by the *insurer* for that purpose, provided that written notice of the *claim* or circumstances which may give rise to a *claim*, together with details of any action taken or to be taken by or in conjunction with the Public Relations Consultancy is given to the *insurer* as soon as is reasonably practicable and in any event within 30 days of the *company* first becoming aware of the matter and that Insurer have given their written agreement that coverage applies. Any fees or costs reasonably incurred by the *company* for the employment of the Public Relations Consultancy will be reimbursed by the *insurer*, subject to a maximum limit of liability of USD 100,000 any one *claim* and in the aggregate for the period of insurance (which is a part of the limits of liability and not in excess of the limits of liability). This extension shall not be subject to any deductible.
4.8	**Risk Management**	The *directors or officers* shall be entitled to request advice from the *insurer*

	Extension	upon giving notice of any circumstances which in their opinion might subsequently give rise to a *claim* for which coverage would apply, as to their legal position and any steps which may be appropriate to avert or minimize the risk of such a *claim*. The *insurer* agrees to bear the cost of obtaining advice in relation to any such circumstances, up to a limit of USD 25,000 per *director or officer* any one request and USD 50,000 in the aggregate for all requests made under this provision during the period of insurance (which is a part of the limits of liability and not in excess of the limits of liability). Any costs borne by the *insurer* under this provision will be paid separately from any payment which may become due hereunder upon a *claim* being made in respect of such circumstances and the *insurer* retains the right to appoint or approve any lawyers or other advisors from whom advice is to be taken. This extension shall not be subject to any deductible.
4.9	**Retired Directors or Officers**	If the *policyholder* does not renew or replace this policy with any other policy affording *directors or officers* liability cover and a *discovery period* is not elected under extension 4.4, a *discovery period* of 84 months after the date of such non renewal will be provided under this policy, during which time written notice may be given to the *insurer* of any *claim* first made against any *director or officer* or employee of the *company*, who left before the date of non renewal and which *claim* is otherwise covered by this policy. This extension is not available in the event of a *transaction.*
4.10	**Emergency Costs**	If, due to an emergency, the *insurer*'s written consent cannot reasonably be obtained before *defence costs* are incurred with respect to any *claim*, the *insurer* will give retrospective approval for such *defence costs* of up to a limit, in the aggregate, 10 per cent of the limit of liability, but not exceeding the total amount of USD 100,000 per Claim and in the aggregate for the insurance period, which is part of the overall limit of liability and not in addition thereto.
4.11	**Extradition Proceedings**	The *insurer* shall pay the reasonable fees, costs and expenses necessarily incurred by an *insured* person with the prior written consent of the *insurer*, which shall not be unreasonably withheld or unduly delayed, in connection with an **extradition proceeding** first commenced against them during the *policy period*. "**Extradition proceeding**" means any proceeding against an *insured* including any related appeal, any judicial review applications or any challenge or appeal of any extradition decision by any governmental authority, or any application to the a court law in respect of any proceedings to remove an *insured* to another territory against their will. This extension is up to a limit of USD 100,000 per Claim and in the aggregate

		for the insurance period, which is part of the overall limit of liability and not in addition thereto.
General Provisions:		
5.1	**Representation**	The following clause is added: The proposal form and any information provided to the *Insurer* shall be considered as a separate proposal by each of the *insured*. With respect to statements and particulars in the proposal form no statement made or knowledge possessed by any *insured* shall be imputed to any other *insured* to determine whether cover is available for any *claim* made against the *insured*.
5.3	**Limit of Liability**	In clause 5.3, the second paragraph is amended by the following: It is agreed that in the event of a *loss*, including *defence costs*, exceeding the total aggregate limit of liability for *loss*, then this policy shall cover reasonable *defence costs* exceeding the total aggregate limit of liability for *loss*, in accordance with article 66 of the Insurance Contract Law 5741-1981.
5.4	**Retention**	The paragraph regarding "No Liability" (the words "Provided, however that no retention… such 90 day period") are hereby deleted.
5.5	**How to Give Notice and Report a Claim**	General Provisions 5.5 is subject to the following amendments: 1. Sub-clause (i) is amended to read as follows: Notice of a *claim* or of circumstances which may result in a *claim* shall be given in writing to the Harel Insurance Company Ltd. Claims Department, 3 Abba Hilel Silver st., Ramat Gan, Israel, If posted the date of posting shall constitute the date that notice was given, and proof of posting shall be sufficient proof of notice. 2. Sub-clause (ii) - The opening paragraph of sub clause (ii) is amended to read as follows: written notice to the *insurer* of any *claim* made against an *insured* should be given as soon as practicable after the Chief Executive Officer, Chief Financial Officer or Risk manager of the *policyholder* first becomes aware of such claims and either: 3. Sub-clause (ii) (b) - the words " 30 days" in the first and the third sentence are replaced by the words: "60 days".
5.6	**Advancement of Costs**	General Provision 5.6 is subject to the following amendments: *After the words* "The *insurer* shall advance to the *insured* or the *company*" *the words* "on a current basis" are added.
5.7	**How Defence Will Be Conducted**	General Provision 5.7 is subject to the following amendments: 1. The words "as a condition precedent to the *insurer's* liability for *loss*

		arising out of the *claim*" in the second paragraph are deleted. 2. After the words "shall not be unreasonably withheld" in the second paragraph, the words "or unduly delayed" are added. 3. The words "Queen's Counsel" in the last paragraph are replaced by the words "senior lawyer being a member of the Israel bar association". 4. The following clause is added: for the avoidance of any doubt, it is agreed that should a conflict of interests appears to exist between any of the *insureds*, then at their request and subject to the written consent of the insurer which shall not be unreasonably withheld or unduly delayed, separate counsel may be appointed to protect their respective interests.
5.8	**Allocation**	General Provision 5.8 is amended by adding the following: Any allocation as above shall be agreed between the *insurer* and the *Directors and officers* or the *Company* (as applicable) or, in the absence of such agreement, shall be determined by a member of the Bar Council (or local equivalent in the place of registration of the *policyholder*) as arbitrator to be mutually agreed upon by the *insurer* and the *Directors and officers* or the *company* (as applicable) or in default of such agreement to be nominated by the Chairman of the Bar Council (or local equivalent). Such determination will be final and binding.
5.9	**Cancellation Clause**	The following clause is added: Notwithstanding the cancellation clause, *Insurer* will not cancel the policy for any reason other than non-payment of premium or fraud in accordance with the Insurance Contract law 5741-1981.
5.10	**Subrogation**	The following clause is added: In no event, however, shall the *insurer* exercise its rights of subrogation against any *insured*, employee of the *company* or family relatives of the *insured*, unless such *insured,* employee of the *company* or family relative has been convicted of a deliberate criminal or malicious act.
5.11	**Other Insurance**	***This General Provision is deleted.***
5.14	**Jurisdiction and Governing Law**	Any interpretation of this policy relating to its construction, validity or operation shall be made in the courts of the state of Israel. the parties agree to submit to the exclusive jurisdiction of the courts of the state of Israel. However, for the avoidance of any doubt it is agreed that the liability of the *insured* shall be determined in accordance with the applicable law of the Jurisdiction wherein the *claim* arises or is filed, subject to the Territorial Limits

		& Jurisdiction stated in the policy Schedule.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

ENDORSEMENT #2
UNITED STATES OF AMERICA AND CANADA CONDITIONS CLAUSE (AMENDED)

Any claim or legal proceedings made within the United States of America and/or Canada and/or territories which come under the jurisdiction of the United States of America and/or Canada including the enforcement by courts of any other country of any judgment originally obtained in any court of the United States of America and/or Canada and/or territories which come under the jurisdiction of the United States of America and/or Canada shall be subject to the following conditions and exclusions:

Conditions:

(i) The maximum amount payable in respect of all claims made under this policy shall not exceed in the aggregate the limit of Liability specified in the schedule.

(ii) Any costs and expenses incurred during the investigation, defense and settlements shall be included with the annual aggregate limit of Liability and deductible as specified in the schedule.

Exclusions:

This Extension shall not apply to:

(i) Any punitive and/or exemplary damages awarded against the Insured.

(ii) Claims based upon the Employment Retirement Income Security Act of 1974 and any amendment thereto, or any rules or regulations promulgated thereunder.

(iii) EPL claims of any nature.

(iv) Claims arising out of any actual or alleged violations of any of the provisions of title IX of the Organized Crime Control Act of 1970 (Commonly known as Racketeer Influenced and Corrupt Organization or RICO) and any amendments thereto, or any rules or regulations promulgated thereunder.

(v) Claims arising out of seepage, pollution and/or contamination howsoever

caused.

(vi) It is hereby understood and agreed that the *insurer* shall not be liable to make any payment for *loss* in connection with any *claim* made against the *insured* which is, whether directly indirectly, if for, is based upon, is in any manner related to, arises from, or results from any actual or alleged violation of the Securities Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, any rules or regulations adopted thereunder, any similar federal, state or provincial statute regulating securities all as they nay be amended, any rules or regulations adopted thereunder, or any other federal, state, provincial or common relating to securities.

Policy interpretation

Israeli Law and courts only – as per original Policy Wording.

Subject to all of the terms, conditions and exclusions of this policy.