

ADDENDUM 1 - EXCESS

1. This addendum constitutes an integral part of the insurance policy.
2. It is hereby warranted and agreed that in respect of the export of goods and the provision of services during the insurance period as defined in **appendix “A”**, the special terms and conditions appendix to the policy, as shall be modified from time to time (hereinafter referred to as **“appendix “A”**”), the following terms and conditions shall apply:

2.1 The Insured shall bear an aggregate first loss pursuant and subject to the provisions of appendix “A” (hereinafter referred to as **“the excess”**), pursuant to the matters set forth below:

2.1.1 The Company’s payment obligation pursuant to this policy shall only come into effect where such part of the loss amount which the Company undertakes to pay, as provided in appendix “A” to the policy, exceeds the excess amount as specified in appendix “A”, and it shall only apply to such surplus amount.

2.1.2 Any amount that shall be recovered by the Insured or the Company in the event of a loss which the Company bore pursuant to clause 5 of the policy and appendix “A” shall be attributed to that part of the loss which the Company bore until it is fully covered and the provisions of clause 17 of the policy shall apply thereto, *mutatis mutandis* as set forth below. Additional amounts recovered as aforesaid shall be credited to the Insured.

Any amount recovered by the Insured or the Company as provided in clause 17 of the policy in respect of a loss which the Insured alone bore shall be applied to the excess account, which shall be reinstated at a rate equal to the amount recovered as aforesaid.

2.1.3 The conversion of the excess into the sale currency shall be effected according to the representative rates of the dollar and the sale currency on the date of determining the excess according to the date specified in appendix “A” pursuant to the Bank of Israel’s publications.

3. **For the purposes of this addendum alone, in respect of calculating the legal costs which the Company bears as provided in clause 8 of the policy, the part of the loss, which the Insured alone bears shall not be taken into account.**

B.S.S.CH. - The Israel Credit Insurance Company Ltd