

ADDENDUM 7 - Self-Discretionary Limits

- .1 This supplement is an integral part of the policy.
- .2 Subject to the terms of this supplement and Appendix A, the shipments that shall be sent to the buyer, as defined below, shipment covered under the policy, without any need for obtaining credit limits from the company and on the condition that they are sent during the insurance period, as stated in Appendix A (hereinafter: Self Discretionary Limit, and in abbreviation, "S.D.L.").

A buyer as defined in this supplement shall be a buyer regarding whom no decision whatsoever has been made by the company concerning the credit limit at any time.

The decision for the purpose of this supplement - including a decision that confirms and/or rejects and/or cancels a credit limit and/or a decision that confirms a credit limit of a sum lower than that requested.

- .3 **It is clarified that a precondition for the existence of the insurance coverage in the framework S.D.L. is the fulfillment of all the cumulative conditions appearing in the work procedure attached herewith and which is an integral part of this supplement.**
- .4 **To eliminate any doubt, it is hereby clarified that this supplement does not apply to shipments to receivers and/or administrators appointed as buyers regarding whom there existed a non-payment risk as stated in Section 3.1.1 of the policy.**
- .5 **It is clarified that the insurance coverage in the S.D.L. framework will not apply if, during the 12 months preceding the shipments in the claim the buyer's maximum debit balance exceeded the sum of the credit limit approved in the S.D.L., as stated in Appendix A.**
- .6 Without derogating from the aforesaid in the policy, it is clarified that the Company may change the percentage of the coverage and limit the maximum liability with respect to limits in the S.D.L.
- .7 It is clarified that the period of the credit of the shipments covered in the framework of this supplement shall not exceed 180 days.

- .8 The Insured shall forward to the Company a declaration of all the shipments that were sold to each of the buyers in the framework of the S.D.L. as stated in Section 12.1 of the policy. The report shall be made at the times specified in Appendix A.
- .9 The Insured will bear, at his expense, the sum specified in Appendix A in excess of the credit limits of the S.D.L. for one or more insurance events (hereinafter: “**the excess**”). It is therefore clarified that:
 - A. The Company’s obligation to pay in accordance with this supplement will become valid only when the sum of the loss being paid exceeds the excess sum specified in Appendix A.
 - B. Any sum that shall be collected by the Insured or the Company in the event of a loss that the Company bore in accordance with Section 5 of this policy will be attributed to that same part of the loss borne by the Company up to its full coverage, and will be subject to the directives of Section 17 of the policy. Additional sums collected, as stated, will be credited to the Insured.
 - C. Any sum that shall be collected by the Insured or the Company, as stated in Section 17 of the policy, concerning a loss borne by the Insured alone and which was paid by way of the excess will be credited to the excess account and will return it to its former state at a rate equal to the sum that was collected.
 - D. The conversion of the excess to the currency of the sale shall be converted according to the representative rates of the dollar and the sale currency on the day the insurance period began, as defined in Appendix A, in keeping with publications by the Bank of Israel.

S.D.L. Work Procedure

It is clarified and agreed that a precondition for the existence of the insurance coverage in the framework of the S.D.L. supplement is the fulfillment of all of the following cumulative conditions:

- A. More than a year passed from the commencement of the buyer's commercial activity until the delivery of the **first** insured shipment to the buyer.
- B. The buyer and/or its shareholders and/or the companies connected with the buyer and/or one of its owners is not and were not involved in a situation of insolvency as defined in Section 3.1.1 of the policy.
- C. The Insured has no negative information concerning the buyer and/or its owners regarding solvency and/or ability to repay their debts.

I confirm that I have read and understood the above work procedure

And that I know that the fulfillment of all the conditions in the work procedure is a precondition for the insurance coverage.

Insured's signature