

Addendum 16 - Advance Insurance

This Addendum constitutes an integral part of the insurance policy.

Subject to that stated in this Addendum, and in the credit limit for the advance insurance, the insurance policy shall apply to the payment of an advance which was paid to the supplier in the framework of ordering goods and/or services, provided that the period in which the advance was paid as clarified hereinbelow occurs within the insurance period determined in Appendix A.

1. Definitions

For the purposes of this Addendum, the following terms shall have the meaning which appears alongside them:

1.1 Credit Limit the maximum sum of the debt in US dollars, which is given in regard to a supplier, which was approved by the Company, converted into the currency of the payment of the advance on the day of the determination of the credit limit, the terms of the performance of the advance and the securities which are required by the Company, as well as any condition to be determined by the Company in the credit limit from time to time.

1.2 Advance the first payment forwarded to the supplier on account of the goods and/or the service before they are provided.

1.3 Reasons for Loss failure to supply the goods and/or the service due to the insolvency of the Buyer as stated in Section 3.1.1, and due to political risks as stated in Sections 3.2.1 – 3.2.9 of the policy.

1.4 Sum of Loss the sum of the advance which was actually paid to the supplier until the time of the occurrence of the reason for the loss **after reducing the deductions as follows:**

1.4.1 Any sum that the supplier was entitled to set off or claim in a counter-claim in regard to the non-existence or faulty existence of the agreement by the Insured.

1.4.2 The value of the goods and/or the services which were received by the Insured until the occurrence of the insurance event, as was defined in the sales agreement, and in an event which was not defined, according to the determination of the loss adjuster or according to the price which could be received for it, whichever of the two is higher.

1.5 Sum of Advance The sum expressly quoted in the sales agreement as the sum of the advance. If the advance was paid in a currency other than the New Shekel, the loss shall be calculated according to the representative rate of the currency of payment in regard to the Shekel on the day of the performance of payment.

1.6 Supplier The supplier of goods and/or services which the Company agreed to insure.

2. The Agreement

In exchange for the insurance fees that were paid by the Insured for this Addendum and subject to the existence of all of the policy terms, the credit limit and the other terms and debts pursuant to this Addendum, the Company agrees to pay the Insured compensation for a loss that the Insured sustained in regard to the payment of an advance to a supplier, if the loss was caused by one of the Reasons for Loss which was created in the period before the supply of the goods to the Insured.

3. Reports by the Insured

- A. The Insured undertakes to report the performance of an advance in the framework of the reports of shipments as stated in Section 12.1 of the policy.
- B. The Insured shall report to the Company of the occurrence of the event which caused the loss 30 days after the failure to supply the goods and/or the service.

4. Occurrence of the Insurance Event

- A. Under the cause of action of the insolvency of the Buyer, as defined in Section 3.1.1 of the policy, the time of the payment shall be **immediately** after the insolvency occurred, provided that the receiver and/or the liquidator and/or the trustee and/or the court, as the case may be, confirmed that a proof of debt was submitted to it for the sum of the loss, at the time determined by the law in the country of the Buyer.
- B. In all the other causes of action covered by this Addendum, the insurance event shall occur **six months** after the occurrence of the event which caused the covered loss.

5. Examination of the Loss

The burden of proof in the claim rests on the Insured and at its expense. The Insured undertakes to cooperate with the Company or anyone appointed on its behalf, in the examination of the loss. The Company shall be entitled, by itself and/or through others, including an accountant and lawyer to be appointed for this purpose, to check the evidence of the loss which the Insured sustained. In order to hold such an examination as stated, the Insured shall provide, if the Company shall so require, the receipts which were received from the supplier, credits, book accounting card, sales agreement and any additional document that the Company will require in regard to the covered agreement and/or the proof of loss.

6. Exclusions

The provisions of this Addendum shall not apply if any of the general reservations to the liability of the Insurer, as stated in Section 3.3 of the policy exists.

7. Miscellaneous Provisions

For the sake of good order, it is clarified and emphasized that all of the provisions of the policy shall remain valid.

I.C.I.C. – Israeli Credit Insurance Company Ltd

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