

## Notice

This is a claims made insurance policy. This policy will only apply to *Claims* first made against the *Insured* by a *Third Party* and reported to the *Insurer* during the *Policy Period*. Further, please note that the amounts incurred for legal defence shall be applied against the *Retention* amount.

# Professional Liability Specified Professions

In consideration of the payment of the *Premium* and subject to all of the provisions of this policy, the *Insurer* agrees as follows.

## Covers

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All cover under this policy is afforded solely with respect to *Claims* first made against an *Insured* during the *Policy Period* and reported to the *Insurer* as required by this policy.

**Professional Liability** The *Insurer* will pay on behalf of any *Insured* all *Damages* resulting from any *Claim* for any *Breach of Duty* of the *Insured*.

**Intellectual Property** The *Insurer* will pay on behalf of any *Insured* all *Damages* resulting from any *Claim* for any *Infringement*.

**Defamation** The *Insurer* will pay on behalf of any *Insured* all *Damages* resulting from any *Claim* for libel or slander committed unintentionally by an *Insured*.

**Fraud/Dishonesty** The *Insurer* will pay on behalf of any *Insured*, who is not the actual perpetrator, all *Damages* resulting from any *Claim* for *Fraud/Dishonesty* of any *Employee*.

**Defence** The *Insurer* has the right to defend any *Claim* which this policy may respond to under its *Covers* or *Extensions*. The *Insurer* shall pay *Defence Costs* incurred in defending any covered *Claim*.

The *Insurer* is under no obligation to pay *Loss*, unless the *Wrongful Act*. (i) first takes place on or after the *Retroactive Date*; and (ii) is committed solely in the performance of or failure to perform *Professional Services*.

## Extensions

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### Court Attendance

For any person described in (i) and (ii) below who actually attends court as a witness in connection with a *Claim* notified under and covered by this policy, *Defence Costs* will include the following rates per day for each day on which attendance in court has been required:

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| (i) for any principal, partner, or director <i>Insured</i> | US\$ 500 |
| (ii) for any <i>Employee</i>                               | US\$ 250 |

No *Retention* shall apply to this Extension.

### Extended Reporting Period

If the Insurer cancels or refuses to offer any terms or conditions to renew this policy, other than for non-payment of Premium or any other breach of the terms of this policy by an *Insured*, the Policyholder shall have the right to a period of 30 days following the date of cancellation or expiry in which to give notice of any covered *Claim* first made against the *Insured*. That extended reporting period shall not apply if this policy or its cover has been replaced.

### Lost Documents

With respect to a *Third Party's Documents*:

- (i) for which an *Insured* is legally responsible, and
- (ii) that, during the *Policy Period*, have been destroyed, damaged, lost, distorted, erased or mislaid solely in the performance or non-performance of *Professional Services*,

*Damages* shall also include costs and expenses reasonably incurred by the *Insured* in replacing or restoring such *Documents* provided that:

- (a) such loss or damage is sustained while the *Documents* are either:  
(1) in transit; or (2) in the custody of the *Insured* or of any person to whom the *Insured* has entrusted them;
- (b) where the lost or mislaid *Documents* have been the subject of a diligent search by or on behalf of the *Insured*;
- (c) the amount of any *Claim* for such costs and expenses shall be supported by evidence of expenditure that shall be subject to approval by a competent person to be nominated by the *Insurer* with the consent of the *Insured*; and
- (d) the *Insurer* shall not be liable for any *Claim* arising out of wear, tear and/or gradual deterioration, moth and vermin, or other matters beyond the *Insured's* control.**

This Extension will be subject to a Sublimit of Liability of US\$ 100,000. A separate retention of US\$ 1,000 instead of the *Retention* will apply to each *Claim* covered under this Extension.

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## *Definitions*

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<i>"Bodily Injury"</i>	means physical injury, sickness, disease or death; and if arising out of the foregoing, nervous shock, emotional distress, mental anguish or mental injury.
<i>"Breach of Duty"</i>	means any actual or alleged negligent breach of duty, act, error, misstatements, misleading statements, breach of confidentiality or omission in the performance of or failure to perform <i>Professional Services</i> .
<i>"Claim"</i>	means any: (i) written demand or (ii) civil or administrative proceeding, that seeks <i>Damages</i> from <i>Wrongful Acts</i> .
<i>"Damages"</i>	means any amount that an <i>Insured</i> shall be legally liable to pay to a <i>Third Party</i> in respect of judgments rendered against an <i>Insured</i> , or for settlements negotiated by the <i>Insurer</i> with the consent of either the <i>Insured</i> or the <i>Policyholder</i> .
<i>"Defence Costs"</i>	means reasonable fees, costs and expenses incurred by or on behalf of the <i>Insured</i> in the investigation, defence, adjustment, settlement or appeal of any <i>Claim</i> . " <i>Defence Costs</i> " shall not mean any internal or overhead expenses of any <i>Insured</i> or the cost of any <i>Insured's</i> time.
<i>"Documents"</i>	means all documents of any nature whatsoever including computer records and electronic or digitized data; but does not include any currency, negotiable instruments or records thereof.
<i>"Employee"</i>	any natural person who is or has been expressly engaged as an employee under a contract of employment with the <i>Policyholder</i> or any <i>Subsidiary</i> . " <i>Employee</i> " shall not mean any: (i) principal, partner or director; or (ii) temporary contract labour, self-employed person or labour-only sub-contractor.
<i>"Fraud/Dishonesty"</i>	means fraudulent or dishonest conduct of an <i>Employee</i> :  (i) not condoned, expressly or implicitly; and (ii) that results in liability to;  the <i>Policyholder</i> or any <i>Subsidiary</i> .
<i>"Infringement"</i>	means an unintentional infringement of any intellectual property right of any <i>Third Party</i> , other than patents and <i>Trade Secrets</i> .
<i>"Insured"</i>	means:  (1) the <i>Policyholder</i> or any <i>Subsidiary</i> ; (2) any natural person, who is or has been a principal, partner or director of the <i>Policyholder</i> or any <i>Subsidiary</i> ; (3) any <i>Employee</i> ; (4) any temporary contract labour, self-employed persons, labour-only sub-contractors, solely under contract with, and under the direction and direct supervision of the <i>Policyholder</i> or any <i>Subsidiary</i> ; and (5) any estates or legal representatives of any <i>Insured</i> described in (2) and (3) of this definition;  but only when providing <i>Professional Services</i> in the foregoing capacities.
<i>"Insurer"</i>	means the entity specified as such in the Schedule.
<i>"Limit of Liability"</i>	means the amount specified as such in the Schedule.

## Definitions (Continued)

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“Loss”	means <i>Damages</i> and <i>Defence Costs</i> . “Loss” shall not mean and this policy shall not cover any (1) taxes; (2) non-compensatory damages, including punitive, multiple, exemplary or liquidated damages; (3) fines or penalties; (4) the costs and expenses of complying with any order for, grant of or agreement to provide injunctive or other non-monetary relief; (5) compensation, benefits or overhead of, or charges or expenses by any <i>Insured</i> ; or (6) any matters which may be deemed uninsurable under the law governing this policy or the jurisdiction in which a <i>Claim</i> is brought.
“Policy Period”	means the period of time specified in the Schedule unless the policy is cancelled in which event the <i>Policy Period</i> will end on the effective date of the cancellation.
“Policyholder”	means the entity or natural person specified as such in the Schedule.
“Pollutants”	means, but is not limited to, any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including asbestos, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids, alkalis, nuclear or radioactive material of any sort, chemicals or waste. “Waste” includes, but is not limited to, material to be recycled, reconditioned or reclaimed.
“Premium”	means the amount specified as such in the Schedule and any premium adjustment reflected in an endorsement to this policy.
“Professional Services”	means the professional services of the <i>Policyholder</i> and any <i>Subsidiary</i> as specified in the Schedule.
“Property Damage”	means damage to or loss of or destruction of tangible property or loss of use thereof.
“Retention”	means the amount specified as such in the Schedule.
“Retroactive Date”	means the date specified as such in the Schedule.
“Subsidiary”	means companies in which the <i>Policyholder</i> , either directly or indirectly through one or more of its <i>Subsidiaries</i> ; <ul style="list-style-type: none"><li>(i) controls the composition of the board of directors;</li><li>(ii) controls 50% or more of the voting power; or</li><li>(iii) holds 50% or more of the issued share capital.</li></ul> For any <i>Subsidiary</i> or any <i>Insured</i> thereof, cover under this policy shall only apply to <i>Wrongful Acts</i> committed while such entity is a <i>Subsidiary</i> of the <i>Policyholder</i> .
“Third Party”	means any entity or natural person; provided, however, <i>Third Party</i> does not mean: (i) any <i>Insured</i> ; or (ii) any other entity or natural person having a financial interest or executive role in the operation of the <i>Policyholder</i> or any <i>Subsidiary</i> .
“Trade Secret”	means information that derives independent economic value, actual or potential, from not being generally known and not being readily ascertainable through proper means by other persons who can obtain economic advantage from its disclosure or use.
“Wrongful Act”	means any <i>Breach of Duty</i> , <i>Infringement</i> , libel, slander, or <i>Fraud/Dishonesty</i> .

## Exclusions

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This policy shall not cover *Loss* in connection with any *Claim*:

<b><i>Antitrust</i></b>	arising out of, based upon or attributable to any actual or alleged antitrust violation, restraint of trade or unfair competition;
<b><i>Bodily Injury/ Property Damage</i></b>	arising out of, based upon or attributable to <i>Bodily Injury</i> or <i>Property Damage</i> unless arising from an actual or alleged failure to achieve the legally required standard of care, diligence and expertise in performing <i>Professional Services</i> ;
<b><i>Contractual Liability/ Performance Guarantees</i></b>	arising out of, based upon or attributable to any: (i) contractual liability or other obligation assumed, that goes beyond the duty to use such skill and care as is ordinarily applied to the professional services provided; (ii) guarantee or warranty; or (iii) delay in performing, failing to perform or failing to complete any <i>Professional Services</i> , unless such delay or failure arises from a <i>Breach of Duty</i> by an <i>Insured</i> ;
<b><i>Costs Assessment</i></b>	arising out of, based upon or attributable to any failure by any <i>Insured</i> or other party acting for the <i>Insured</i> to make an accurate pre-assessment of the cost of performing <i>Professional Services</i> ;
<b><i>Employment/Discrimination</i></b>	arising out of, based upon or attributable to any: (i) actual or alleged employment related: practices, harassment or discrimination; or (ii) intentional or systemic harassment or discrimination;
<b><i>Insolvency</i></b>	arising out of, based upon or attributable to the insolvency, administration or receivership of the <i>Insured</i> ;
<b><i>Infrastructure</i></b>	arising out of, based upon or attributable to: (i) mechanical failure; (ii) electrical failure, including any electrical power interruption, surge, brown out or black out; or (iii) telecommunications or satellite systems failure;
<b><i>Joint Ventures</i></b>	arising out of, based upon or attributable to work carried out by the <i>Insured</i> for and in the name of any association or joint venture of which an <i>Insured</i> forms part;
<b><i>Misdeeds</i></b>	arising out of, based upon or attributable to any act which a judge, jury or other official tribunal or panel finds, or which an <i>Insured</i> admits, to be a criminal, dishonest or fraudulent act; and in such event, the <i>Insurer</i> shall be reimbursed for all <i>Loss</i> paid in connection with such <i>Claim</i> ; provided, however, that this exclusion shall not apply to the <i>Fraud/Dishonesty Cover</i> .
<b><i>Patent/Trade Secret</i></b>	arising out of, based upon or attributable to the breach of licences concerning, infringement of or misappropriation of patents or <i>Trade Secrets</i> ;
<b><i>Pollution</i></b>	arising out of, based upon or attributable to: (i) the actual, alleged or threatened presence, discharge, dispersal, release, migration or escape of <i>pollutants</i> , or (ii) any direction, request or effort to: (a) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise <i>Pollutants</i> , or (b) respond to or assess the effects of <i>Pollutants</i> ;
<b><i>Prior Claims/Circumstance</i></b>	(i) made prior to or pending at the inception of this policy; or (ii) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any <i>Insured</i> to give rise to a <i>Claim</i> ;

## Exclusions (Continued)

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<b>Trade Debts</b>	arising out of, based upon or attributable to any: (i) trading debt incurred by an <i>Insured</i> or (ii) guarantee given by an <i>Insured</i> for a debt;
<b>U.S.A./Canada</b>	made or pending within; or to enforce a judgment obtained in, the United States of America, Canada, or any of their territories or possessions; or
<b>War/Terrorism</b>	arising out of, based upon or attributable to any war (declared or otherwise), terrorism, warlike, military, terrorist or guerrilla activity, sabotage, force of arms, hostilities (declared or undeclared), rebellion, revolution, civil disorder, insurrection, usurped power, confiscation, nationalisation or destruction of or damage to property by or under the order of, any governmental, public or local authority or any other political or terrorist organisation.

## Claims

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Notification of Claims	The <i>Insured</i> shall, as a condition precedent to the obligations of the <i>Insurer</i> under this policy, give written notice to the <i>Insurer</i> of any <i>Claim</i> first made against the <i>Insured</i> as soon as practicable and during the <i>Policy Period</i> . All notifications must be by registered mail or facsimile, and addressed as required in the Claims Notice Item on the Schedule.
Related Claims	If notice of a <i>Claim</i> against an <i>Insured</i> is given to the <i>Insurer</i> pursuant to the terms and conditions of this policy, then: (i) any subsequent <i>Claim</i> alleging, arising out of, based upon or attributable to the facts alleged in that previously noticed <i>Claim</i> ; and (ii) any subsequent <i>Claim</i> alleging any <i>Wrongful Act</i> which is the same as or related to any <i>Wrongful Act</i> alleged in that previously noticed <i>Claim</i> , shall be considered made against the <i>Insured</i> and reported to the <i>Insurer</i> at the time notice was first given. Any <i>Claim</i> or <i>Claims</i> arising out of, based upon or attributable to (i) the same cause, or (ii) a single <i>Wrongful Act</i> , or (iii) a series of continuous, repeated or related <i>Wrongful Acts</i> , shall be considered a single <i>Claim</i> for the purposes of this policy.
Circumstances	During the <i>Policy Period</i> , an <i>Insured</i> may become aware of circumstances which may reasonably be expected to give rise to a <i>Claim</i> . In such event, an <i>Insured</i> may report the circumstances in writing to the <i>Insurer</i> . If in doing so, the <i>Insured</i> provides: (i) the reasons for anticipating the <i>Claim</i> , and (ii) full particulars as to dates, acts and persons involved; then any <i>Claim</i> which is subsequently made against an <i>Insured</i> and reported in writing to the <i>Insurer</i> alleging, arising out of, based upon or attributable to such circumstances, or alleging any <i>Wrongful Act</i> which is the same as or related to any <i>Wrongful Act</i> alleged or described in the previously notified circumstances, shall be considered first made against the <i>Insured</i> and reported to the <i>Insurer</i> at the time the facts or circumstances were first reported, if accepted by the <i>Insurer</i> .

## Claims (Continued)

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Defence/Settlement	The <i>Insurer</i> does not assume any duty to defend, and the <i>Insured</i> shall defend and contest any <i>Claim</i> made against them unless the <i>Insurer</i> , in its sole and absolute discretion, elects in writing to take over and conduct the defence and settlement of any <i>Claim</i> . If the <i>Insurer</i> does not so elect, it shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the <i>Insurer</i> . The <i>Insurer</i> has the right at any time after notification of a <i>Claim</i> to make a payment to the <i>Insured</i> of the unpaid balance of the <i>Limit of Liability</i> , and upon making such payment, all obligations of the <i>Insurer</i> to the <i>Insured</i> under this policy, including, if any, those relating to defence, shall cease.
Insurer's Consent	As a condition precedent to cover under this policy, no <i>Insured</i> shall admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any <i>Defence Costs</i> without the prior written consent of the <i>Insurer</i> . Only those settlements, judgments and <i>Defence Costs</i> consented to by the <i>Insurer</i> , and judgments resulting from <i>Claims</i> defended in accordance with this policy, shall be recoverable as <i>Loss</i> under this policy. The <i>Insurer's</i> consent shall not be unreasonably withheld, provided that the <i>Insurer</i> shall be entitled to exercise all of its rights under the policy.
Insured's Consent	The <i>Insurer</i> may make any settlement of any <i>Claim</i> it deems expedient with respect to any <i>Insured</i> , subject to such <i>Insured's</i> written consent. If any <i>Insured</i> withholds consent to such settlement, the <i>Insurer's</i> liability for all <i>Loss</i> on account of such <i>Claim</i> shall not exceed the amount for which the <i>Insurer</i> could have settled such <i>Claim</i> , plus <i>Defence Costs</i> incurred as of the date such settlement was proposed in writing by the <i>Insurer</i> , less coinsurance (if any) and the applicable <i>Retention</i> .
Cooperation	The <i>Insured</i> will at their own cost: (i) render all reasonable assistance to the <i>Insurer</i> and co-operate in the defence of any <i>Claim</i> and the assertion of indemnification and contribution rights; (ii) use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any <i>Loss</i> under this policy; (iii) give such information and assistance to the <i>Insurer</i> as the <i>Insurer</i> may reasonably require to enable it to investigate any <i>Loss</i> or determine the <i>Insurer's</i> liability under this policy.
Allocation	In the event that any <i>Claim</i> involves both covered matters and matters not covered under this policy, a fair and proper allocation of any cost of defence, damages, judgments and/or settlements shall be made between each <i>Insured</i> and the <i>Insurer</i> taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this policy.

## Purchase and Administration

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Policy Purchase	In granting cover to the <i>Insured</i> , the <i>Insurer</i> 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. If the <i>Insurer</i> becomes entitled to avoid this policy from inception or from the time of any variation in cover, the <i>Insurer</i> may at its discretion maintain this policy in full force but exclude the consequences of and any <i>Claim</i> relating to any matter which ought to have been disclosed before inception or any variation in cover.
Administration	The <i>Policyholder</i> has acted and shall act on behalf of each and every <i>Insured</i> with respect to: (1) negotiating terms and conditions of, binding and amending cover; (2) exercising rights of <i>Insureds</i> ; (3) notices; (4) <i>Premiums</i> ; (5) endorsements; (6) dispute resolution; and (7) payments to any <i>Insured</i> .

## Limit and Retention

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Limit of Liability	<p>The total amount payable by the <i>Insurer</i> under this policy shall not exceed the <i>Limit of Liability</i>. Sublimits of Liability, Extensions and <i>Defence Costs</i> are part of that amount and shall reduce the <i>Limit of Liability</i> available to pay judgments or settlements. The <i>Limit of Liability</i> for the period provided in the Extended Reporting Period Extension is part of, and not in addition to, the <i>Limit of Liability</i> for the <i>Policy Period</i>. The inclusion of more than one <i>Insured</i> under this policy does not operate to increase the total amount payable by the <i>Insurer</i> under this policy. The Lost Documents Extension Sublimit of Liability shall be part of and not in addition to the <i>Limit of Liability</i>.</p> <p>Notwithstanding the above, and solely in respect of a <i>Claim</i> filed against the <i>Insured</i> within the jurisdiction of the courts of Israel, it is agreed that in the event of a <i>Loss</i>, including <i>Defence Costs</i>, exceeding the total aggregate <i>Limit of Liability</i>, then this policy shall cover <i>Defence Costs</i> up to an amount not exceeding 20% of the total aggregate <i>Limit of Liability</i>. It is expressly agreed that this amount represents "reasonable legal costs" for the purpose of Article 66 of the Insurance Contract Law, 5741-1981.</p>
Retention	The <i>Insurer</i> shall only pay for the amount of any <i>Loss</i> which is in excess of the <i>Retention</i> . For the avoidance of doubt, the <i>Retention</i> also applies to <i>Defence Costs</i> . The <i>Retention</i> is to be borne by the <i>Insured</i> and shall remain uninsured. A single <i>Retention</i> shall apply to <i>Loss</i> arising from all <i>Claims</i> alleging the same <i>Wrongful Act</i> . <i>Insurer</i> may, in its sole and absolute discretion, advance all or part of the <i>Retention</i> , and, in that event, such amounts shall be reimbursed to the <i>Insurer</i> by the <i>Insureds</i> forthwith.

## General Provisions

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Assignment	This policy and any rights under or in respect of it cannot be assigned without the prior written consent of the <i>Insurer</i> .
Cancellation	
By Policyholder:	This policy may be cancelled by the <i>Policyholder</i> at any time only by mailing written prior notice to <i>Insurer</i> or by surrender of this policy to <i>Insurer</i> or its authorized agent. In such case, if no <i>Claim</i> has been made and no circumstance has been notified prior to such cancellation; <i>Insurer</i> shall retain the customary short rate proportion (unexpired portion of



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*Premium* less handling charges) of the *Premium*. Otherwise, *Premium* shall not be returnable and shall be deemed fully earned at cancellation.

By Insurer:

This policy may be cancelled by the *Insurer* delivering to the *Policyholder* by registered, certified, other first class mail or other reasonable delivery method, at the address of the *Policyholder* set forth in the Schedule, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. Proof of mailing or delivery of such notice shall be sufficient proof of notice and this policy shall be deemed cancelled as to all *Insureds* at the date and hour specified in such notice. In such case, the *Insurer* shall be entitled to a *pro-rata* proportion of the *Premium*. 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. In case of non-payment of premium, if the *Insured* did not pay the premium within 15 days following the *Insurer's* written demand, the *Insurer* may notify the *Insured* in writing that the policy be cancelled after 21 additional days, unless payment is made within such period.

Insolvency

Insolvency, receivership or bankruptcy of any *Insured* shall not relieve the *Insurer* of any of its obligations hereunder.

Plurals, Headings and Titles

The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in *bold* typeface have special meaning and are defined. Words that are not specifically defined in this policy have the meaning normally attributed to them.

Scope and Governing Law

Where legally permissible and subject to the U.S.A./Canada Exclusion, this policy shall apply to any *Claim* made against any *Insured* anywhere in the world. 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 and in accordance with the English text as it appears in this policy.

Subrogation

If any payment is to be made under this policy in respect of a *Claim*, the *Insurer* shall be subrogated to all rights of recovery of the *Insured*. The *Insurer* shall be entitled to pursue and enforce such rights in the name of the *Insured*, who shall provide the *Insurer* with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. The *Insured* shall do nothing to prejudice these rights. Any amount recovered in excess of the *Insurer's* total payment shall be restored to the *Insured* less the cost to the *Insurer* of such recovery. The *Insurer* agrees not to exercise any such rights of recovery against any *Employee* unless the *Claim* is brought about or contributed to by the dishonest, fraudulent, intentional criminal or malicious act or omission of the *Employee*. In its sole discretion, the *Insurer* may, in writing, waive any of its rights set forth in this Subrogation Clause.

Validity

This policy is not binding upon the *Insurer* unless it is countersigned on the Schedule by an authorised representative of the *Insurer* or its general agent.