

ADDENDUM No. 22

TOP-UP COVER FOR CREDIT INSURANCE RISKS

Addendum no. 22 to Policy _____ (hereinafter: the "Insurance Policy")

Issued on the date of _____ to _____ (hereinafter: the "Insured")

Introduction

The Company grants the above coverage backed by its Reinsurers, subject to the terms of this Addendum.

This Addendum, and its appendices, forms an integral part of the Insurance Policy. The Insured must sign the Addendum, as well as on at least one of the appendices attached to it.

1. The Insured's terms of entitlement to participate in the framework of the Top-Up Cover supplement

- 1.1 The Insured has a valid policy with the Company.
- 1.2 The Insured and the Company have signed this Addendum, and at least one of its appendices.
- 1.3 The Insured paid the premium for the credit limits for which he was granted the Top-Up cover.

2. Buyers in which respect the Insured may request supplemental Top-Up Cover

Buyers in which respect the Insured may request supplemental Top-Up Cover are required to fulfill all of the following conditions:

- 2.1 The Insured has a valid credit limit with the Company in respect to the buyer (hereinafter: "Basic Cover").
- 2.2 The number of credit days granted to the buyer does not exceed 365 days.
- 2.3 At the time of the submission of the Top-Up cover request, the Buyer was not under debt arrangement.
- 2.4 Any additional condition specified in the Appendix relevant to the Insured, which is attached to this Addendum.

3. Exclusion of buyers

This Addendum shall not apply to the following types of insurance:

- 3.1 Guarantees of any and all kinds;
- 3.2 Production insurance and advance payment insurance;
- 3.3 Buyers who are considered as self-discretion credit limits (S.D.L.);
- 3.4 Buyers for which an additional line of insurance was purchased not through the Company (Top-Up Cover or other);
- 3.5 Reverse factoring insurance (import financing).

4. Amount of the Top-Up Cover

- 4.1 The Insured may request that the Top-Up Cover be activated for all or some buyers, which are covered by the Basic Cover, at the Insured's discretion, should it find that with respect to such buyers the Company's Basic Cover is insufficient and the Insured wishes to increase it.
- 4.2 The Insured may request that the Basic Cover be increased by means of the Top-Up Cover at the rates set forth below in relation to the amount of the Basic Cover in effect, provided in respect of the buyer:

- 4.2.1 Activation of a 10% supplement in relation to the Basic Cover; or
 - 4.2.2 Activation of a 20% supplement in relation to the Basic Cover; or
 - 4.2.3 Activation of a 30% supplement in relation to the Basic Cover; or
 - 4.2.4 Activation of a 40% supplement in relation to the Basic Cover; or
 - 4.2.5 Activation of a 50% supplement in relation to the Basic Cover; or
 - 4.2.6 Activation of a 60% supplement in relation to the Basic Cover; or
 - 4.2.7 Activation of a 70% supplement in relation to the Basic Cover; or
 - 4.2.8 Activation of a 80% supplement in relation to the Basic Cover; or
 - 4.2.9 Activation of a 90% supplement in relation to the Basic Cover; or
 - 4.2.10 Activation of a 100% supplement in relation to the Basic Cover.
- 4.3 It is understood that for the purpose of determining the amount of the Top-Up Cover, the Basic Cover is expressed in the Insured's valid credit limit excluding any and all supplements, if the Insured has such limit.
- 4.4 The amount of the Top-Up Cover will be increased or decreased **on the same date** whereon there is a change in the Basic Cover, *pro rata* to the Basic Cover.
- 4.5 The Top-Up Cover will be cancelled **on the same date** whereon the Company cancels the Basic Cover, in accordance with the provisions of the Policy.
- 4.6 The Insured may purchase Top-Up Cover for a buyer once per calendar quarter.
- 4.7 The supplement in relation to the Basic Cover may not be increased or reduced during the quarter, but in a different quarter.
- 4.8 The Company reserves judgment to approve or reject the Insured's application for Top-Up Cover and is not required to give grounds for its decision.

5. Terms and conditions of the Top-Up Cover

The terms and conditions of the Top-Up Cover, including the coverage rate and credit days, shall be identical to those of the Basic Cover as set forth in the credit limit.

6. Activation of the Top-Up Cover

- 6.1 The Insured shall submit its application for Top-Up Cover in a particular calendar quarter, by the 10th of the first month in the calendar quarter.
- 6.2 As part of the application, the Insured shall send the Company a list of buyers for which it is interested in buying Top-Up Cover. This list shall be emailed by the Insured to the e-mail address: TopUp@icic.co.il in case of export shipments, and to the e-mail address: DomesticTopUp@icic.co.il in case of domestic shipments, all via the On-line System.
- 6.3 If approved by the Company, the Top-Up Cover quota which its request will be received by the Company by the 10th of the first month in the quarter shall be effective from the beginning of that calendar quarter.
- 6.4 The Insured may submit an application after the 10th of the first month of the calendar quarter, but in such case, the Top-Up Cover – if approved by the Company – shall be effective commencing on the date of the application.
- 6.5 On the basis of the list of buyers for which Top-Up Cover was requested, the Company will produce a list of approved buyers. This list shall be emailed to the Insured, bearing a digital signature. The Insured shall be provided with Top-Up Cover in that quarter only in respect of the buyers named in the said list.

- 6.6 It is understood that the Top-Up Cover for each buyer in the framework of this Addendum shall be in force for shipments during the calendar quarter only, and that if the Insured wishes to continue to maintain the Top-Up Cover for such buyer, the Insured must include the buyer in its application for Top-Up Cover in the following quarter.

7. Top-Up Cover premium

- 7.1 For the Top-Up Cover, the Insured will be charged quarterly an insurance premium through the Company, based on the parameters and rates listed in Appendices A and B, as applicable.
- 7.2 The Insured will be billed for a premium in respect of a full quarter also for Top-Up Cover which began mid-quarter, and also for Top-Up Cover which was cancelled or discontinued, in whole or in part, during the quarter. Where the Basic Cover has risen during the quarter, the Insured will not be billed an additional premium for the Top-Up Cover. For the avoidance of doubt, where the Basic Cover has decreased during the quarter, the Insured shall not be entitled to a corresponding reduction in the premium.
- 7.3 Insurance fees for Top-Up Cover as provided above are not part of the insurance premiums for Basic Cover for the purpose of any clause in the Insurance Policy, including its annexes, which refers to the insurance fees, including the calculation of minimum insurance fees.
- 7.4 Payment shall be made by no later than 14 days after the date of production of the account sent by the Company and/or on the payment date according to the bank's automated clearing system. It is emphasized that such payment is a condition for Top-Up Cover and for entitlement in accordance therewith.
- 7.5 The Company may set off any sum owed by the Insured in respect of the Top-Up Cover supplement from any sum owed to the Insured by the Company with respect to the Insurance Policy or to the Addendum to the Insurance Policy.
- 7.6 Where the Insured owes premiums in respect of the Top-Up Cover and/or Basic Cover, the Company may attribute any and all payments owed to it at its exclusive decision.
- 7.7 For the avoidance of doubt, it is understood that the premiums and regular registration fees payable to the Company for the Basic Cover shall be on the full amount of the sale, including sales in excess of the amount of the credit limit in accordance with the provisions of the Policy and its annexes.

8. Accounting charges

- 8.1 Billing in respect of the Top-Up Cover shall be issued in a separate debit note titled "Reinsurance Top-Up Cover Charge".
- 8.2 The "Reinsurance Top-Up Cover Charge" note will be sent to the Insured together with the regular debit note if it contains rows for entering Top-Up Cover.
- 8.3 The charge will be quoted in US Dollars and will be paid in US Dollars or NIS according to the representative exchange rate of the Dollar on the payment date.

9. Use of the Top-Up Cover for financing purposes

The Insured may make use of the Top-Up Cover (including the insurance settlement paid pursuant thereto) for financing purposes, similar to the Basic Cover.

10. Maximum liability for Top-Up Cover

- 10.1 The insurance benefits paid to the Insured under the Top-Up Cover shall not be deemed to be an insurance benefits for the purpose of the Insured's maximum liability under the Policy.

11. Claims and collection

- 11.1 On the occurrence of damage covered by the Top-Up Cover Addendum, one insurance claim should be submitted to the Company for both types of insurance coverage as set forth in the

Policy. It should be noted on the claim form that the Insured has supplemental Top-Up Cover, and a copy of the Top-Up Cover Addendum attached.

- 11.2 The Insured shall immediately inform the Company in writing of any commercial dispute proceeding under way in the courts and/or in arbitration between the Insured and a buyer in the framework of the Top-Up Cover, which relates to an insured debt.
- 11.3 In the case of an insurance claim by the Insured, use shall be made of the Top-Up Cover only if the Basic Cover does not fully cover the total gross amount of the debt according to the covered invoices.
- 11.4 Revocation of the Insured's entitlement to the receipt of insurance benefits in respect of Basic Cover automatically revokes the Insured's entitlement to the receipt of a benefits in respect of the Top-Up Cover.
- 11.5 The Company and the Insured shall handle the collection of the debt which is covered in the framework of the Top-Up Cover in the same manner in which they handle the collection of debts which are covered by the Basic Cover.
- 11.6 Insurance benefits and subrogation recoveries in respect of the Top-Up Cover as provided above are not part of the insurance benefits and/or subrogation recoveries in respect of the Basic Cover for the purpose of any clause in the Insurance Policy, including its annexes, which refers to insurance benefits and subrogation recoveries.

12. Transfer of information to the re-insurers by the Company

The Insured, in signing the Addendum, gives its consent to the Company to transfer any information and/or data from the Company to the re-insurers, including the data regarding the buyer to which it is exposed to, which is required by the state in relation to the buyers the Insured requested to include in the Addendum. In signing this Addendum, the Insured declares that he does not have and will not have any claims against the Company to the extent that the re-insurers will use the information legally.

13. Entry of the Top-Up Cover into force

- 13.1 The Addendum to the Policy shall be effective from the date it is received by the Company, signed by the Insured, and shall apply to shipments made after the Top-Up Cover Addendum takes effect.
- 13.2 It is emphasized and understood that Top-Up Cover in which respect the Insured fails to remit the required premium in a timely manner shall not come into force.
- 13.3 Under no circumstances shall Top-Up Cover come into force retroactively with respect to prior months preceding the month of joining the plan, or to shipments that precede the date on which Top-Up Cover for the buyer was applied for, or to shipments that precede the month of the application, except as otherwise expressly stated in this Addendum.
- 13.4 The Top-Up Cover is provided to the Insured for a period of a calendar quarter.

14. Termination of the Top-Up Cover Addendum to the Insurance Policy

14.1 Upon termination of the Insurance Policy

If the Insurance Policy is terminated, whether by the Insured or by the Company, the Addendum to the Insurance Policy shall automatically expire, subject to the same terms and conditions and provisions which shall apply to the Insurance Policy.

14.2 Upon non-payment of the premium for the supplementary insurance coverage, in whole or in part

The Company may terminate this Addendum to the Insurance Policy in the case of partial or full non-payment of the insurance premiums for the Top-Up Cover by the Insured, on the dates

prescribed for payment thereof. In such case, the Addendum shall expire on the date whereon notice is given to the Insured.

14.3 Upon termination of the Addendum by the Insured

The Insured may terminate the Addendum to the Insurance Policy by sending a letter to the Company with confirmation of delivery. The Addendum shall expire upon receipt of the said notice. Termination of the Addendum does not lead to the termination of the Insured's Insurance Policy.

14.4 Continued handling in the case of termination of the Addendum to the Insurance Policy

Top-Up Cover which was in force on the date whereon the Addendum to the Policy expired or was cancelled shall continue to be addressed in accordance with the provisions of this Agreement until the last claim and all collections in the case have been closed.

15. No direct relationship between the reinsurers and the Insured

It is hereby understood that this Addendum does not create any third party right, including the creation of any right or opponency of the Insured or a party acting on its behalf toward the reinsurers.

16. All other provisions of the Policy shall remain in force.

17. Definitions

- 17.1 "**Application for the purchase of Top-Up Cover**" – a request by the Insured to be insured with Top-Up Cover.
- 17.2 "**ASHRA rating**" – the rating of a group of countries by ASHRA, the Israel Foreign Trade Risks Insurance Corporation Ltd., as it is in force from time to time.
- 17.3 "**Top-Up Cover**" – the amount of the additional credit limit in excess of the Basic Cover amount, which the Company has approved for the Insured with respect to a certain buyer, at a rate of 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90% or 100%.
- 17.4 "**Re-insurers**" - Each of the reinsurers that are part of the company's reinsurance panel.
- 17.5 "**Basic credit limit**" / "**Basic Cover**" – the credit limit in effect in accordance with the Company's Insurance Policy issued to the Insured.
- 17.6 "**Calendar quarter**" – a 3-month insurance period in the framework of the Top-Up Cover, commencing on January 1, April 1, July 1 and October 1, each year.
- 17.7 "**Exchange rate of the US Dollar**" – the latest representative exchange rate of the Dollar which is known on the date of a payment under this Addendum.

The meaning of the terms contained in this Agreement which were not defined shall be the meaning given to them in the Policy, if given. In the absence of such definition – in their meaning in the Insurance Contract Law, 1981, if given.

Date: _____

Insured

Date: _____

B.S.S.CH. - The Israeli Credit Insurance Ltd.

Appendix A to Addendum 22 to the Policy (the "Addendum") - Domestic Market

1. Without derogating from the provisions of section 2 of the Addendum, and in addition to the conditions set out there, a supplier in the domestic market will be allowed to apply for Top-Up Cover, insofar as the buyer included in the request does not have a current payment spread arrangement in place on the date of submission of the application for Top-Up Cover.
2. Without derogating from the provisions of section 7 of the Addendum, the Top-Up Cover premium for buyers in the domestic market will be collected quarterly, and shall be calculated as the multiple of the amount of the Top-Up Cover and the monthly premium rate of 0.1%, multiplied by three months.

Date: _____

Insured

Date: _____

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Appendix B to Addendum 22 to the Policy (the "Addendum") – Buyers outside of Israel

1. Without derogating from the provisions of section 2 of the Addendum, and in addition to the conditions set out therein, the exporter may apply for Top-Up Cover, subject to the following conditions:
 - 1.1. The buyer is outside of Israel.
 - 1.2. At the time of filing request for cover, the buyer included in the request does not have a current payment spread arrangement in place.
2. Without derogating from the provisions of section 7 of the Addendum, the premium will be collected quarterly and will be calculated as the multiple of the amount of the Top-Up Cover and the rate of the monthly premium set forth below, multiplied by three in respect of billing for three months, as in the first day of the quarter as published in ASHRA's company website <http://www.ashra.gov.il>:
 - 2.1. Ratings 1-2 – 0.1% per month;
 - 2.2. Ratings 3-4 – 0.12% per month;
 - 2.3. Ratings 5-7 – 0.135% per month.

Date: _____

Insured

Date: _____

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