

THE PHOENIX INSURANCE COMPANY

PROFESSIONAL LIABILITY INSURANCE FOR FINANCIAL INSTITUTIONS REIMBURSEMENT INSURANCE

POLICY NUMBER: 24/110/462/1000822 + 24/110/462/1000860

Phoenix Insurance, Asset Management and Investment

Customer Liaison:
2 Rehavam Zeevi Street,
Givat Shmuel

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TYPE	PROFESSIONAL LIABILITY INCLUDING INFIDELITY OF EMPLOYEES INSURANCE FOR FINANCIAL INSTITUTIONS REIMBURSEMENT INSURANCE
INSURED	More Provident Funds and Pension Ltd. (previously: More Provident Funds Ltd) (formerly named: InterGemel Provident Funds Ltd). 2 Ben Gurion St, Tel Aviv, Israel.
PERIOD	From: 15th October 2024 To: 30th November 2025 Both days inclusive
LIMIT OF LIABILITY	ILS 60,000,000 any one claim or series of claims arising out of one originating cause and in the aggregate
DEDUCTIBLE:	ILS 250,000 any one claim or series of claims arising out of one originating cause.
SCOPE OF INSURED'S ACTIVITIES:	Pension Funds and Provident Funds Management

Policy Form: Errors & Omissions for Financial Institutions (Expanded Edition March 2017) plus WTW (Leaderim) Wording Amendments as attached

Additional Wording Amendments – as attached.

LMA 5062 – If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

- a. Choice and nomination of legal attorney to be performed with cooperation of the Insured.
- b. Cross-liability section shall consider the insurance as made separately to each and every one of the insured.
- c. The term Employee shall be extended to include:
 - a. Any natural person or entity that receives payment under an invoice including pursuant to a management services agreement between the Insured and the entity on behalf of the natural person that receives the payment for the services for the Insured or its subsidiaries. The Insurer waives right of subrogation against that entity and its employees.
 - b. Compliance officer, any member of a professional committee of the Insured whilst working on behalf of the Insured.
 - c. Employees of the Insured's parent company, More Investment House Ltd and/or Y.D. More Investments, and/or subsidiaries and/or affiliated companies of such companies to the extent that such employees are involved in the Business of the Insured and/or involved in providing services to the Insured to support the Insured's Business.
 - d. Employees of entities, including banks, that will furnish operating and distribution services to the Insured also regarding mutual funds, provident funds, central funds, study funds, pension funds and any other financial services for the Insured
- d. The policy is extended to cover the vicarious liability of the Insured arising from any act and/or omission of anyone performing operation and/or distribution services for the Insured including the employees of such organ and/or anyone acting on its behalf.

- e. The policy is extended to cover the vicarious liability of the Insured arising from any act and/or omission of any insurance agents / brokers and /or other agents that are involved within the operation and distribution of the insured provident funds, mutual funds , pension funds, study funds and compensation funds.
- f. Vicarious Liability:
Subject always to the terms, exclusions and conditions of the Policy and without thereby extending the cover granted, nor increasing the limits of liability of the Insurer, this policy is extended to Indemnify any entity or person in respect of whom the Insured undertook in writing to extend this Insurance to indemnify such entity or person, to the extent they be found liable for any act or omission of the Insured for which indemnity is provided under this policy.
- g. The parent company More Investment House Ltd and/or Y.D. More Investments Ltd shall be added to the Insured name purely for services performed on behalf of the Insured.
- h. It is hereby noted and agreed that in part VI (Conditions) clause 4, (Cancellation), in the second paragraph the words: "not less than 45 days" shall be read: "not less than 60 days".
- i. This policy takes precedence and is non-contributory to any other insurance held by the State of Israel.
- j. It is hereby noted and agreed that in part IV, Exclusion 18 is deleted in its entirety.
- k. It is hereby noted and agreed that there is no automatic cover under this policy for any newly created or acquired US subsidiaries, funds or board positions during the policy period.
- l. The Insurer waives all rights of subrogation against any bank and/or company which performs operational and/or management and/or distribution services for the Insured. (To avoid any doubt, the insurer will not waive any right of subrogation against employees of these entities regarding infidelity of employees).

Insured v insured/parent company

The insurer shall not be liable to make any payment in respect of any claim brought by or on behalf of:

- (i) an insured, or successors or assigns of any insured, unless such claim is brought by or on behalf of an insured person as a customer or client of any insured company; or
- (ii) the parent company of any insured company or any entity that is operated, managed or controlled by any insured.

This exclusion shall not apply in respect of Third party claim / third party notice, that an Insured had filled following an unsolicited claim brought by a third party.”

Fees Exclusion

As per attached policy wording

Money Laundering Exclusion

As per attached policy wording

Contractual liability exclusion:

As per attached policy wording

LMA3100A Sanction Limitation and Exclusion Clause

LMA5478 Cyber Risks Endorsement



**LAW & JURISDICTION OF
THE ORIGINAL POLICY**

Worldwide Excluding USA/Canada.

In case of a dispute, the policy interpretation is exclusively in accordance with Israeli law and each party agrees to submit to the exclusive jurisdiction of the courts of Israel.

RETROACTIVE DATE

12th August 2013

However, in respect of:

ILS 6,000,000 excess of ILS 4,000,000: 13th November 2017

ILS 5,000,000 excess of ILS 10,000,000: 31st October 2019

ILS 7,000,000 excess of ILS 15,000,000: 4th August 2020

ILS 8,000,000 excess of ILS 22,000,000: 29th September 2020

ILS 30,000,000 excess of ILS 30,000,000: 26th January 2022

TERRITORIAL LIMITS

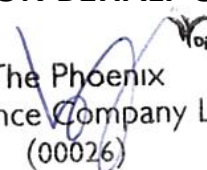
Worldwide including USA/Canada

**CHOICE OF LAW AND
JURISDICTION**

Jurisdiction Clause

This insurance shall be governed by and construed in accordance with the law of Israel and each party agrees to submit to the exclusive jurisdiction of the Courts of Israel. It is noted and agreed that the policy's jurisdiction is worldwide excluding USA/Canada

SIGNED FOR AND ON BEHALF OF THE INSURER


The Phoenix
Insurance Company Ltd
(00026)

.....
The Phoenix Insurance Company Ltd.

Date: November 6, 2024

INFORMATION

The following information was provided to insurer to support the assessment of the risk at the time of Underwriting.

Proposal Form signed and dated 9th October 2024

No Claim / No Material Changes Declaration dated 10th October 2024

ADDITIONAL WORDING AMENDMENTS

It is hereby noted and agreed that the following amendments are made to the policy wording:

- 1) **III. Definitions** – Item 7. “**Employee or Employees**” – items (c) and (d) are replaced with the following:

- (c) Guest students while pursuing studies or duties on behalf of the **Insured** under the **Insured**'s supervision.
- (d) A person provided by an employment agency to perform **Employee** duties for the **Insured** under the **Insured**'s supervision (whether past, present or who may at any time during the policy period and/or the ERP become such), on behalf of the **Insured** under the **Insured**'s supervision, excluding, however, any person employed as or to perform the duties of a data processor, programmer, software contractor or person performing similar duties.

- 2) **V. Extensions** – Item 2. **Extended Reporting Period (ERP)** – is replaced with the following:

2. Extended Reporting Period (ERP)

In case this policy will not be renewed, this policy shall cover **Claims** first made, during a period of 12 months following the termination date of this Policy resulting from an event committed after the retroactive date stated in the Schedule (if any) and prior to the termination date of this policy.

The additional premium for the ERP is 150% of the full annual premium. The premium to be paid within 30 days of the termination date of this policy.

The additional premium is not refundable and the extended reporting period is not cancellable. This condition shall not be deemed to extend the Limit of Liability of this policy. In order to invoke this ERP the client must notify the Insurer in writing within 30 days of expiry of the policy; failure to do so shall render the offer void.

The **Insured** shall be entitled to a 60 days extended reporting period at no additional premium if this policy is not renewed or replaced by either the insurer or the **Insured**. If the **Insured** elects to purchase an ERP, then these 60 days ERP shall be part of and not in addition to the purchased ERP.

Circumstances which may subsequently give rise to a claim cannot be notified during the Extended Reporting Period (ERP).

- 3) **V. Extensions** – Item 5. **Criminal Litigation** – is deleted in its entirety.

All other terms and conditions remain unaltered.

SANCTIONS LIMITATION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100A

05 October 2023

CYBER RISKS ENDORSEMENT - LIMITED EXCLUSION**(For use with Financial Institution Wordings)**

1. A Loss (as defined in the Policy to which this endorsement is attached) due to any actual or alleged act, error or omission (as defined in the Policy to which this endorsement is attached) arising out of a **Cyber Act** or a **Cyber Incident** will be payable subject to all of the terms, conditions, warranties and exclusions of this Policy or endorsed hereon.
2. Notwithstanding the provisions set out in 1 above, this Policy does not cover:
 - 2.1 Any Regulatory Investigation (as defined in the Policy to which this endorsement is attached) or any fines or penalties as a result of a **Cyber Act** or a **Cyber Incident**,
 - 2.2 any costs or expenses of whatsoever nature incurred by the Insured to notify individual data subjects following the actual or suspected access to or acquisition of personally identifiable information resulting from a **Cyber Act** or a **Cyber Incident**. This includes, but is not limited to, the cost of crisis consultancy; legal advice and services; print and mailing; contact centre services; the provision of any identity/credit protection product or service.

Definitions

3. **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
4. **Cyber Act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**.
5. **Cyber Incident** means:
 - 5.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
 - 5.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.

LMA5478

13 November 2020

WTW's wording amendments to Errors & Omissions for Financial Institutions (Expanded Edition March 2017)

- **Definition 3 – Deductible** shall be amended as follows:
On the second paragraph, after the words "All Claims arising out of one Claim" shall be added: "or which are mutually connected either arising out of each other or out of one source or being the result of or arising out of, the same identical cause..."
- **Definition 6 - Dishonest, Fraudulent or Malicious Acts or Omissions**
The words: " whether salaried or" on the third line shall be deleted.
- **Definition 8 – Insured**
Sub section (c) after the words "bankruptcy or death" shall be added: "and/or incompetence"
- **Exclusion 9 –** The words "or forecast" shall be deleted.
- **Exclusion 10** shall not be applicable to any claims / proceedings which are brought by and/or on behalf, of investors in the partnerships / funds / investors that hold participation rights in the Insured.
- **Exclusion 11(ii) –** the words "subsidiary, affiliate or controlled company" shall be deleted
- **Exclusion 17 –** The words "and/or management services agreement and/or partnership agreement" shall be added after the words "marketing services" at the end of clause b.
- **Conditions clause no. 4**
In Chapter VI. Conditions clause no. 4 Cancellation shall be deleted and replaced by the following:

The Insured may cancel this Policy at any time by providing a written notice, not less than 30 days in advance. If this Policy is cancelled by the Insured - the premium due will be calculated on a pro-rata basis subject to no reported claims and/or circumstances during the policy period in which event the premium is deemed to be fully earned.

The Insurer may cancel this policy in the event of non-payment of the premium by the Insured and or in case the **Insured** has committed dishonesty by providing a written notice not less than 45 days before cancellation to the **Insured** at its last known address. In the event of the Insurer cancelling this Policy, the Insurer shall retain the pro-rated proportion of the premium hereon subject to no reported claims and/or circumstances during the policy period in which event the premium is deemed to be fully earned.

- **Administrative Proceedings Endorsement (FIPD):**
 1. In the definition of "Claim"; The following wording shall be added at the end of the definition: "including according to administrative enforcement that will include administrative enforcement by the Israeli SEC authority according to the Securities law and/or other law and/or by the Ministry of Finance and/or by the Commissioner of Savings and Insurance according to the Control of Financial Services (provident

funds) Law and/or the Control of Financial Services (Insurance) law and/or the Enhancement of the Enforcement in the Capital Market Law and/or financial services advisory, marketing and pension clearing system) law and any other applicable law.

2. In the definition of "Defence Costs" - after the word: "investigation" in line 5/6 the words: "and/or administrative enforcement proceedings" shall be added.

Errors & Omissions for Financial Institutions
(Expanded Edition – March 2017)

I. Preamble

Whereas the **Insured**, named in the Schedule attached has made to the Insurer a Written Proposal (hereinafter called the “Proposal”) bearing the date stated in the Schedule and containing the particulars and statements which it is hereby agreed are the basis of this contract and are considered as incorporated herein and have paid the premium stated in the Schedule or the undertaking of the **Insured** to pay to the insurer.

II. The Insuring Clause

1. The Insurer shall indemnify the **Insured** and/or **Employee** (s) for any **Claim** or **Claims** made against the **Insured** and/or **Employee** and reported to insurers during the policy Period and/or ERP for any legal liability arising from **Claims** made against the **Insured** or **Employee**(s) for or as a result of:

- (a) Breach of trust, misstatement, misleading statement, breach of authority, breach of professional duty, negligent act, error or omission.
- (b) Loss of **Documents** and for costs and expenses incurred in replacing or restoring such **Documents**. The amount of any **Claim** for costs and expenses incurred in replacing or restoring any **Documents** shall be a reasonable amount supported by bills and accounts.
- (c) Libel, slander or defamation.
- (d) Dishonest or fraudulent or malicious act or omission by any **Employee** and/or anyone acting on the **Insured**'s behalf and/or for whom the **Insured** may be responsible. The Insurers shall not indemnify any such person committing, making or condoning any Dishonest or fraudulent or malicious act or omission.

Committed or allegedly committed in connection to the **Business**, by the **Insured** or by anyone acting in his name or on his behalf or for whom the **Insured** may be responsible.

2. Costs and Expenses

The Policy covers also **Defense Costs**, even in so far as such costs are in excess of the Limit of Liability, as defined in the Insurance Contract Law, 1981.

1. Business

All professional activities of the **Insured** as stated in the Schedule or signed proposal form attached thereto.

2. Claim

- a) Any written notification by a third party containing a demand for indemnity or an intention to hold the **Insured** and/or **Employee** responsible for any loss or damage or seeking for declaratory relief (that might reasonably lead to a third party **Claim** for any loss or damage).
- b) Any written notification submitted by the **Insured** to the Insurer of any circumstances of which the **Insured** shall become aware which might reasonably be expected to give rise to a **Claim** against the **Insured** and/or **Employee**, with full particulars as to dates and persons involved. Any subsequent **Claim** resulting from and/or in connection with a notice already given as required shall be deemed to have been made during the period of insurance.

A **Claim** is deemed to have been made at the moment of receipt by the Insurer, provided that the circumstances, which cause, attribute to, or give rise to the **Claim**, took place during the period of insurance or after the retroactive date stated in the schedule of the policy.

A **Claim** shall be reported:

- (a) Any time during the policy period or during the Extended Reporting Period (if applicable); or
- (b) within 30 days after the end of the policy period as long as such **Claim(s)** is reported no later than 90 days after the date such **Claim** was first made against an **Insured** and/or **Employee**.

Several or a series of **Claims** which are mutually connected either arising out of each other, or out of one source, or being the result of or arising out of, the same identical cause shall be regarded as one and the same **Claim**.

3. Deductible

The sum, which the **Insured** shall pay out of any indemnity or expenses, received in connection with a **Claim** under this policy.

All **Claims** arising out of one **Claim** shall be considered as one and the same **Claim** in respect to the **Deductible**.

4. **Documents**

Shall mean deeds, wills, agreements, maps, plans, records, books, letters, certificates, computer systems records, securities, guaranties, forms and **Documents** of whatsoever nature whether written, printed, or reproduced by any other method (**other than bearer bonds, coupons, bank notes and negotiable instruments**).

5. **Defence Costs**

Shall mean reasonable and necessary fees, costs and expenses incurred with the written consent of the Insurer to be not unreasonably withheld (including premiums for any appeal bond, attachment bond or similar bond, but without obligation to apply for or furnish any bond) resulting solely from the investigation, adjustment, defence and appeal of any **Claim** including arbitrations fees, mediation fees as well as costs and expenses which, may occur in investigation and/or proceedings of any authorized authority that might lead to a **Claim** against the **Insured** but shall not include the salary of any **Insured**.

6. **Dishonest, Fraudulent or Malicious Acts or Omissions**

Dishonest, Fraudulent or Malicious Acts or Omissions shall mean Dishonest, fraudulent or malicious acts or omissions on the part of an **Employee**, who is not a partner (whether salaried or non-salaried) of the **Insured** which were committed or omitted, as the case may be,

- (a) with the intention of making an improper financial gain for themselves or their accomplices; or
- (b) in the awareness that such acts or omissions would actually or potentially cause a financial loss to a third party for which loss the **Insured** could (should such acts or omissions subsequently be discovered, and result in a third party **Claim**) incur a legal liability to said third party; or
- (c) with the intent to cause any third party to sustain a loss.

If a series of third party **Claims** shall result from any single Dishonest, or Fraudulent or Malicious Acts or Omissions (or related series of Dishonest, Fraudulent or Malicious Acts or Omissions) then, irrespective of the total number of **Claims**, all such third party **Claims** shall be considered to be a single **Claim** for the purposes of the application of the Limits of Indemnity and the **Deductible**.

7. “Employee” or “Employees”

Shall mean:

- (a) The **Insured**’s officers and other full and part-time staff (whether past, present or who may at any time during the policy period and/or the ERP become such) compensated by salary or wages and whom the **Insured** has the right to govern and direct in the performance of their duties (including a Director of the **Insured** who is employed as a salaried officer or **Employee**) while acting in the course of their employment by the **Insured**, Members of the Investment committee, Members of the credit committee and review committees.
- (b) A Director of the Insured (other than one who is employed as a salaried officer or Employee) (whether past, present or who may at any time during the policy period and/or the ERP become such) but only while performing acts coming within the scope of the usual duties of an Employee by resolution of the Board of Directors of the Insured.
- (c) Guest students while pursuing studies or duties at any of the Premises of the **Insured**.
- (d) A person provided by an employment agency to perform **Employee** duties for the **Insured** under the **Insured**’s supervision (whether past, present or who may at any time during the policy period and/or the ERP become such), at or from any of the Premises of the **Insured**, excluding, however, any person employed as or to perform the duties of a data processor, programmer, software contractor or person performing similar duties.

8. Insured

The “**Insured**” means:

- (a) The person or persons or partnership, firm or company and/or any partnership, corporation, trust or fund or any subsidiary named in the Schedule; or
- (b) Partner, director in the past, present or who may at any time during the policy period become as such.
- (c) The estate or such personal representatives, trustee or assignee in the bankruptcy or death of such person.

IV. Exclusions

The Insurer shall not indemnify the **Insured** or anyone acting in his name or on his behalf or for whom the **Insured** may be responsible, in respect of any loss arising out of any **Claim** or **Claims**:

1. Resulting from any circumstance or occurrence which is either
 - (i) known to the **Insured** at the inception of this policy and likely to give rise to a **Claim** under this Policy.
 - (ii) which has been notified under any other insurance effective prior to the inception of this Policy.
2. In respect of which the Insured is entitled to indemnity under any other policy effected by the Insured, however, this exclusion does not apply if the Insured is not actually indemnified by such other insurance.
3. In respect of any Dishonest, fraudulent, criminal or malicious act or omission of the **Insured's** subcontractor or agent of the **Insured**. This exclusion shall not apply in case that the court will determine that the subcontractor or agents are deemed to be the **Insured's Employees**. This exclusion shall also not apply in respect to the vicarious liability of the Insured.
4. In respect of death, bodily injury, emotional distress or damage to property unless arising from a negligent act, error or omission to perform a professional duty.
5. Caused by or contributed to by or arising from:
 - (i) ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel ;or
 - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
6. For any fines, penalties, punitive or exemplary damages.
7. For any fees **Claimed** back by a customer of the **Insured**.
8. In respect of any damages caused by or contributed to by or arising from loss of value due to fluctuations in the capital markets or the stock exchange.
9. In respect of liability arising from guaranty or promise or forecast expressed or implied, in respect of performance of investment.
10. Brought on behalf of the **Insured** shareholder/s or a shareholder of any of the following: parent, subsidiary, affiliate or controlled company of the **Insured**.

11. Brought on behalf of third party emanating from any actual or attempted:
 - i) Merger, purchase or acquisition of another **business** by the **Insured** (this shall not apply in underwriting services of the **Insured**) or
 - ii) Purchase or sale transaction in the shares of the **Insured** or a parent, subsidiary, affiliate or controlled company of the **Insured**.
12. Arising out of or relating directly or indirectly from the insolvency or bankruptcy of the Insured.
13. For loss or damage arising out of or relating directly or indirectly from war, invasion, acts of foreign enemies, acts of terrorism, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion or a popular uprising, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
14. Brought in any court of the United States of America or Canada.
15. Based on, arising out of, relating to or involving, directly or indirectly any form of investment into any of the securities and/or investments promoted by Madoff Bernard L. and/or Madoff Investment Securities and/or any affiliated entity and/or any related entities subsequently involved as a result of the ongoing SEC investigation and/or any investigation conducted by any other equivalent authority under any other jurisdiction.

16. **MONEY LAUNDERING EXCLUSION**

- a) Any legal liability arising directly or indirectly as a result of or in connection with any act or acts (or alleged act or acts) of Money Laundering or any act or acts (or alleged act or acts) which are in breach of and/or constitute an offence or offences under any money laundering legislation (or any provisions and/or rules or regulations made by any Regulatory Body or Authority thereunder).
- b) **The BURDEN OF PROVING** that any **Claim** does not fall within this Money Laundering Exclusion shall be upon the **Insured**

For the purpose of this exclusion "Money Laundering" shall mean:

- (i) the concealment, or disguise, or conversion, or transfer, or removal of Criminal Property (including concealing or disguising its nature, source, location, disposition, movement or ownership or any rights relating thereto); or
- (ii) the entering into or becoming in any way concerned in an arrangement which is known or suspected to facilitate (by whatever means) the acquisition, retention, use or control of Criminal Property by or on behalf of another person; or
- (iii) the acquisition, use or possession of Criminal Property; or
- (iv) any act which constitutes an attempt, conspiracy or incitement to commit any act or acts mentioned in the foregoing paragraphs (i), (ii) or (iii); or
- (v) any act which constitutes aiding, abetting, counseling or procuring the commission of any act or acts mentioned in the foregoing paragraphs (i), (ii) or (iii)."

“Criminal Property” means property which constitutes a benefit obtained from or as a result of or in connection with criminal conduct or represents such a benefit (in whole or part and whether directly or indirectly) which the Insured (or any person or entity acting on their behalf) knows or suspects or reasonably should have known or suspected that it constitutes or represents such a benefit.

“Criminal Conduct” means conduct which constitutes (or would constitute) an offence in any part of the world.

17. For liability under any contract or agreement except to the extent such liability would have attached to the **Insured** in the absence of such contract or agreement Subject to Insuring clause 1.(a) – 1.(d) and all other policy terms and conditions this exclusion shall not apply in respect and/or in connection with the following:
 - a. Any article of a provident fund, pension fund, study fund and/or central compensation fund.
 - b. An agreement for portfolio management services, investment advisory Services and /or investment marketing services.
18. Excluding all Claims or regulatory investigations based on, arising out of, relating to or involving, directly or indirectly, in consequence of or in any way involving any actual or alleged breach or infringement of any Anti-Trust law and regulations or anti-trust activities between the **Insured** and a non-**Insured** entity. However, this exclusion shall not apply to any **Claim** relating to or involving Dishonest or fraudulent act or omission by any **Employee** or former **Employee** of the Insured or an **Employee** of anyone acting on the **Insured's** behalf or for whom the **Insured** may be responsible. The Insurers shall not indemnify any **Insured** person committing, making, having knowledge or condoning in fact any Dishonest or fraudulent act or omission.

V. Extensions

1. Notice of a Claim

If during the period of this policy as stated in the schedule the **Insured** shall give the Insurer notice in writing of any **Claim** made against him and/or **Employee** or of any circumstances which may subsequently give rise to a **Claim** including the reasons for anticipating a **Claim**, with full particulars as to dates and persons involved, then any such **Claim** or **Claims** arising out of notified circumstances, as specified above, shall be deemed for the purpose of this policy as having been made during the period of this policy and/or ERP.

2. Extended Reporting Period (ERP)

In case this policy will not be renewed, this policy shall cover **Claims** first made, during a period of 12 months following the termination date of this Policy resulting from an event committed after the retroactive date stated in the Schedule (if any) and prior to the termination date of this policy.

The additional premium for the ERP is 100% of the full annual premium. The premium to be paid within 30 days of the termination date of this policy.

The additional premium is not refundable and the extended reporting period is not cancellable. This condition shall not be deemed to extend the Limit of Liability of this policy. In order to invoke this ERP the client must notify the Insurer in writing within 30 days of expiry of the policy; failure to do so shall render the offer void.

The **Insured** shall be entitled to a 30 days extended reporting period at no additional premium if this policy is not renewed or replaced by either the insurer or the **Insured**. If the **Insured** elects to purchase an ERP, then these 30 days ERP shall be part of and not in addition to the purchased ERP.

3. Joint Venture

Subject to prior notification and acceptance the Insurer will indemnify the **Insured** in respect of any liability for work undertaken by any firm, company or individual with whom the **Insured** is operating jointly and any joint venture and/or consortium which includes the **Insured** but in respect of the **Insured's** liability only.

4. Joint Property Liability

This policy shall cover loss arising from any **Claim** made against the lawful spouse (whether that status is derived by reason of the statutory law, common law or otherwise of any applicable jurisdiction in the world) of an **Insured** for any **Claim** arising out of his or her status as the spouse of an **Insured** including any **Claim** that seeks damages recoverable from marital community property or property jointly held by the **Insured** and the spouse; provided, however, that this extension shall not afford cover for any **Claim** for liability of the spouse and that this policy shall apply only to the liability of an **Insured**.

5. Criminal Litigation

This policy shall cover the cost of litigation and representation of the **Insured** and/or **Employee** in criminal proceedings including any expenses associated therewith, in connection with any act or omission connected to the performance or non-performance of the **Insured's business**, subject to the **Insured** being found innocent, and up to a limit of USD 250,000 per **Claim** and for the period.

6. Vicarious Liability

Subject always to the terms, exclusions and conditions of the Policy and without thereby extending the cover granted, nor increasing the limits of liability of the Insurer, this policy is extended to indemnify any entity or person in respect of whom the **Insured** undertook in writing to extend this Insurance to indemnify such entity or person, to the extent they be found liable for any act or omission of the **Insured** for which indemnity is provided under this policy.

VI. Conditions

1. Applicability of Law

The interpretation of this policy is subject to the law of the state of Israel expressly including the Insurance Contract Law, 1981, as applicable, and any dispute between the **Insured** and the Insurer is subject to the exclusive jurisdiction of the courts of Israel.

2. Limit of Liability

The liability of the Insurer in respect of all **Claims** during the Period of Insurance shall not exceed the limit of Indemnity stated in the Schedule. Insurer shall only be made liable for that part of any **Claim** that exceeds the **Deductible** stated in the Schedule.

The limit of liability covered under the policy in respect of coverage for mutual funds, provident funds and pension funds shall be allocated in accordance with article 4 (b) to Mutual Investment In Trust (own capital, insurance for manager of a fund and trustee and the precedent conditions for directors and members of the investment committee) 1995 regulations, as follows: 30% of the limit of liability shall be allocated to Infidelity of **Employee** as per clause II 1.(d) to the policy and 70% of the Limit of liability shall be allocated to the professional indemnity cover as per clauses II 1.(a) – (c) to the policy.

3. Deposit as Substitute to Insurance

This Policy shall not take precedence over any deposit or security of the **Insured** allowed as substitute to an insurance cover under Israeli Law. Such security or deposit and the policy shall contribute to the cover proportionately according to the level of deposit/security and the limit of liability of the policy.

4. Cancellation

The **Insured** may cancel this Policy at any time by providing a written notice, not less than 30 days in advance. If this Policy is cancelled by the **Insured** - the premium due will be calculated based on the insurer's short rate tariff: for an insurance period of up to seven days prior to cancellation, or if the insurance period has not commenced – 5% of the annual premium; for any period exceeding the seven days in which the policy was in force – 5% of the annual premium and an additional premium of 0.3% per day for any day the policy was in force starting from the 8th day.

The Insurer may cancel this policy by providing a written notice not less than 45 days before cancellation to the **Insured** at its last known address. In the event of the Insurer cancelling this Policy, the Insurer shall retain the pro-rated proportion of the premium hereon.

5. Claims Handling

- a) No admission, offer, promise, payment or indemnity shall be made or given by the **Insured** without the written consent of the Insurer who shall be entitled to take over and conduct in the name of the **Insured** for its own benefit any **Claim** and shall have discretion in the conduct of any proceedings and in the settlement of any **Claim** in accordance with the instructions of Section 68 of the Insurance Contract Law – 1981. While handling a **Claim**, the Insurer will do its best to act in cooperation and in coordinate with the **Insured** in order not to damage the reputation and the legitimate interests of the **Insured**.
- b) Should the settlement of a liability **Claim** required by the Insurer fail due to the unreasonable opposition of the **Insured**, the Insurer shall not bear the additional expenditure for damages, interest and costs arising after the date of such objection. Notwithstanding the above, up to the date of the suggested settlement by the Insurer, the Insurer shall cover reasonable defence costs of the **Insured** in accordance with Section 66 of the Insurance Contract Law.
- c) The **Insured** shall give the Insurer such information, co-operation and assistance as the Insurer may reasonably require and shall not disclose to anyone the existence of this policy without the Insurer's consent in writing.
- d) The Insurer may at any time pay to the **Insured**, in connection with any **Claim** or series of **Claims** under this policy, the Limit of Liability (less any sums already paid), and upon such payment the Insurer shall not have any further liability in respect of such **Claims**, except for any costs and expenses incurred prior to such payment or in connection to payment of defence costs as specified in clause 2 of the Insuring Clause.

6. Subrogation

If any payment is made under this policy in respect of a **Claim**, the Insurer shall be subrogated to all the **Insured's** rights of recovery. The Insurer agrees to waive all rights of subrogation against the **Insured**, its subsidiaries or affiliated companies or any other company or corporation associated with the **Insured** through ownership or management or any **Employee** or anyone acting on the **Insured's** behalf or for whom the **Insured** may be responsible unless the **Claim** has been brought about or contributed to by the Dishonest, fraudulent, criminal or malicious act or omission.

7. Material Change

Should there be any material change in the circumstances or nature of the risks, which are the basis of this policy, the **Insured** shall give immediate notice to the Insurer upon becoming aware of such change.

8. Notices

Any notice to the **Insured** or to the Insurer shall be given in writing to the last known address.

9. Regulatory Licensing Requirement

It is a condition of this insurance that the **Insured** maintains the current relevant license without restriction from the host regulator for the activities described in the proposal form or information presented to and accepted by the Insurers.