

PHOENIX PROTECT - HI-TECH INSURANCE POLICY

Errors Or Omissions and Product Liability Insurance

This Policy provides cover on a **Claim** made basis.

A Claim must be first made against the Insured specified in the Schedule, and notified to the Insurer during the Policy Period.

In consideration of the information provided to the **Insurer**, prior to commencement of this insurance, and which is deemed to form the basis of this insurance, The **Insurer** agree, **subject to payment of the premium, and subject to the policy limits of liability and to all terms and condition specified in the policy to provide cover as follows:**

Chapter 1 | Insurance Clause

COVERAGE	<p>The Insurer will indemnify the Insured up to the limit of liability specified in the Schedule for all sums for which the Insured is legally liable to pay in compensation in respect of the Insured's scope of activity, as specified in the schedule and constitutes the following cumulative terms:</p> <ul style="list-style-type: none"> i a Claim first made against the Insured after the Retroactive Date specified in the Schedule; and, ii notified to the Insurer during the Policy Period, <p>arising out of any:</p>
A PROFESSIONAL INDEMNITY	<p>Professional Indemnity Wrongful Act committed by the Insured or anyone on its behalf after the Retroactive Date specified in the Schedule:</p> <ul style="list-style-type: none"> i In the performance of or failure to perform Computer Services, ii Resulting in the failure of the Insured's Technology Product after the Retroactive Date specified in the Schedule to perform the function or serve the purpose intended.
B PRODUCTS LIABILITY	<p>Products Liability Insurance Event arising out of the Insured's Technology Product in connection with the business activity specified in the schedule.</p>

Chapter 2 | Definitions

For the purpose of the insurance afforded in this Schedule the following definitions shall apply in the Policy:

2.1 Bodily Injury	Any injury, sickness or disease sustained by any natural person including death at any time resulting there from.
2.2 Claim(s)	<ul style="list-style-type: none"> i Any suit or proceeding including judgment, or any demand for money or service resulting from actual or alleged negligence or damage. ii Written notice given to the Insurer of any specific professional indemnity wrongful act and/or specific Product Liability Insurance Event or circumstances that may give rise to a Claim or Claims.
2.3 Computer Services	<ul style="list-style-type: none"> i Data Services including data processing and records for others. ii Software services for others. iii Hardware maintenance for others.

2.4	Defence Costs	<ul style="list-style-type: none"> i Reasonable fees charged by an attorney or legal adviser the Insurer designates; and ii all other reasonable fees, costs and expenses resulting from the investigation, adjustment, defence and appeal of a Claim. <p>Such fees, costs and expenses must be incurred by the Insured; an attorney or legal adviser the Insurer designates; or by the Insured with the Insurer's consent. However, Defence Costs do not include salary of the Insured's regular employees and overhead expenses of the Insured.</p>
2.5	Discovery Period	The period of time specified in extension 4.1 immediately following the termination of this policy, during which written notice may be given to the Insurer of any Claim first made against the Insured during such period of time for any professional indemnity wrongful act and or product liability insurance event occurring prior to the end of the policy period and after the retroactive date and otherwise covered by this policy.
2.6	Documents	Deeds, wills, agreements, maps, plans, records, books, letters, certificates, computer systems records, written or punched into card or tape or magnetic discs or taped or any data media, 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).
2.7	Employee	Any individual in the service of the Insured and over whom the Insured has the right to direct and control while performing services for the Insured . Employee is expressly extended to include any natural person in his capacity as a non salaried Employee of the Insured in accordance with employment agreement between the Insured and the entity on behalf of the natural person that receives the payment for the services of the natural person under an invoice.
2.8	Insured	<ul style="list-style-type: none"> i The Insured specified in the schedule. ii Any past present or future executive officer, director, stockholder, trustee or member of the board of governors thereof and any Employee or volunteer worker of the Insured but only while acting within the scope of their duties as such; iii Any joint ventures where the Insured is engaged in a joint venture that has, by virtue of its share holdings in the joint venture or by any contract has the controlling interest in a joint venture; iv Any Subsidiary (of the insured) if listed in the schedule as Insured; v Any customer or principle for whom the Insured is carrying out any work and against whom a Claim is brought arising from a Professional Indemnity Wrongful Act and/or Product Liability Insurance Event for which the Insured is responsible arising in connection with the carrying out of such work; vi Any contractor or sub-contractor acting on behalf of the Insured as listed at the specific attached endorsement and for whom additional premium has been charged. <p>Provided that such persons or organizations shall observe, fulfill and be subject to the terms, conditions and limits of this insurance.</p>
2.9	Insurer	The Phoenix Insurance Company Ltd.
2.10	Intellectual Property Rights	Any trademarks, trade secrets in Israel, broadcasting rights, domain names, and meta tags copyrights but does not include patents . Intellectual property right does not mean any trade secret or confidential information that came into the possession of any person prior to the date he or she became an employee, director, or partner of the Insured.

2.11	Policy Period	The period of time from the inception date to the expiry date specified in the schedule.
2.12	Privacy Breach	Any actual or alleged breach of any statutory or other right of privacy of any third party by any Insured including misuse of information
2.13	Product Liability Insurance Event	Bodily Injury and/or Property Damage caused by the Insured's Technology product.
2.14	Professional Indemnity Wrongful Act	<p>Any:</p> <ul style="list-style-type: none"> a Negligent act, error or omission, negligent misstatement or negligent misrepresentation. b Unintentional breach of duty, breach of confidence, misuse of information c Unintentional breach of any implied statutory term concerning necessary quality, safety or fitness. d Unintentional breach of an implied contractual duty to use reasonable care and skill. e Unintentional breach of a written contract with a client to design, produce or supply software due to the software either not conforming in all material respects to the written specification forming part of the contract
2.15	Property Damage	Accidental and sudden damage to tangible property or loss of use thereof.
2.16	Retroactive Date	The date(s) specified in the schedule.
2.17	Subsidiary	<ul style="list-style-type: none"> i Companies in which the Insured, either directly or indirectly, through one or more of its subsidiaries: ii Controls the composition of the board of directors; or iii Controls 50% or more of the voting power; or iv Holds 50% or more of the share capital; <p>Should an entity cease to be a subsidiary before or after the inception date of this policy, cover in respect of such entity shall continue as if it was still a subsidiary, until the termination of this Policy, but only in respect of any Claim arises out of any act, error or omission committed by that entity prior to the date that it ceased to be a subsidiary.</p>
2.18	Technology Product:	<ul style="list-style-type: none"> i Analysis, design or development of an electronic component, system or program including software, firmware or hardware which the Insured manufactured, provided, erected, sold, handled, integrated, supplied, installed, serviced, repaired, treated, adjusted, altered or distributed in the normal course of the business. ii Computer software which the Insured created, manufactured, sold, licensed, handled or distributed

Chapter 3 | Exclusions

This insurance does not apply to any liability arising out of any of the following:

3.1	Aircraft	<u>Claims</u> arising out of any software which with the Insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft watercraft, vessel or mechanically propelled vehicle.
3.2	Asbestos	Any actual or alleged liability whatsoever for any <u>Claim</u> or <u>Claims</u> in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos in whatever form or quantity;
3.3	Assumed Liability	Any liability assumed by the Insured under any contract or agreement (including any express or implied warranty or guarantee) but this exclusion does not apply to liability that the Insured would have in the absence of a contract.
3.4	Circumstances Prior to the Retroactive Date	Any Professional Indemnity Wrongful Act and or Product Liability Insurance Event which commenced before Retroactive Date shown in the Schedule and any event that the Insured knew of, at the time of submitting the proposal form, that might constitute grounds for a claim against him.
3.5	Directors & Officers	Directors, officers or Employees of the Insured acting as directors or officers of the Insured or any other organization.
3.6	EMF	<u>Claims</u> for losses relating to Electromagnetic Fields (EMF)
3.7	Fines	Fines, penalties, civil or criminal sanctions, punitive or exemplary damages or any agreed compensations and/or any other damage resulting thereof.
3.8	Insolvency	Insolvency or bankruptcy of the Insured.
3.9	Intentional Acts or Intentional Omissions	any intentional, dishonest, fraudulent, malicious, criminal or deliberate illegal act error or omission by the Insured or his Employees including but not limited to breach of trust, theft or misappropriation.
3.10	Nuclear	for any liability directly or indirectly caused by or contributed to by or arising from <ul style="list-style-type: none"> a ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel b the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof c nuclear weapons material; or the hazardous properties of nuclear material if such liability arises out of the furnishing by the <u>Insured</u> of services, material, part or equipment in connection with planning, construction, maintenance, operation or use of any Nuclear Facility.
3.11	Patents / Trade secrets outside Israel	actual or alleged infringement of patent. actual or alleged infringement of trade secrets outside Israel.
3.12	Pollutants	damage, Loss or injury arising out of any pollution, including the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.
3.13	Product Recall	costs, expenses and damages in respect of the repair, reconditioning, replacement or recall of the <u>Insured's Technology Products</u> .

3.14 War and terrorism

loss or damage directly or indirectly occasioned by, happening through or in consequence of war (whether war be declared or not declared), invasion, acts of foreign enemies, hostilities or war-like operations, civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority;

Furthermore this policy shall not apply to any loss or damage directly or indirectly occasioned by, happening through or in consequence of any act of any person or persons acting on behalf of or in connection with any organization the objects of which are to include the overthrowing or influencing of any de jure or de facto Government by terrorism or any violent means.

Chapter 4 | Extensions

Subject to all of the terms and conditions of this policy, cover is extended as follows:

4.1 Extended Discovery Period

If the **Insurer** refuses to offer any terms or conditions to renew this policy, or the **Insured** refuses to renew this policy, then the **Insured** shall have the right to a **Discovery Period** of 12 months following the effective date of non-renewal:

- i provided the **Insured** cannot renew or replace this policy with or cannot purchase, effect or otherwise acquire, any other policy affording similar liability cover; and
- ii upon payment of an additional premium of 75% of the full annual premium, and 100% of the full Annual Premium if the **Insured** refuses to renew.

The **Insured** shall be entitled to a 60-day **Discovery Period** at no additional premium if this policy is not renewed by the **Insurer**. If the **Insured** elects to purchase a **Discovery Period**, this 30-day **Discovery Period** shall be part of and not in addition to the purchased **Discovery Period**.

To purchase the **Discovery Period**, the **Insured** must request its purchase in writing within 15 days of the termination date of the policy and must tender the additional premium within 30 days of the termination date. The additional premium is not refundable and the **Discovery Period** is not cancelable.

No discovery period of any length is available in the event of this policy being cancelled due to the non-payment of premium.

4.2 Defamation and Invasion of Privacy

This insurance is extended to cover any **Claim** for compensatory damages against the **Insured** arising out of defamation (libel, slander) or **privacy breach** in the conduct of the **Insured's** usual course of business

This extension is sub-limited to the amount specified in the schedule which are part of the original limits of liability and not in addition to.

4.3 Loss of Documents

If during the **Policy Period** the **Insured** shall discover that any **Documents** entrusted to the **Insured**, which may now or hereafter be, or be supposed or believed to be, in the custody of the **Insured** or in the custody of any other person to or with whom such **Documents** have been entrusted, lodged or deposited by the **Insured** in the ordinary course of business, have been destroyed or damaged or lost or mislaid and after diligent search cannot be found, the **Insurer** will indemnify the **Insured** against any legal liability which the **Insured** may incur to any other person in consequence of such **Documents** being destroyed, damaged, lost or mislaid,

- a cost and expenses incurred by the **Insured** in replacing or restoring such documents,
- b costs and expenses incurred with the written consent of the **Insurer** in the defense or settlement of any **Claim** to establish liability as described in a) above.

This extension is sub-limited to the amount specified in the schedule which are part of the original limits of liability and not in addition to.

4.4	Dishonesty of Employees	<p>For a Claim of a third party arising under SECTION A OF COVERAGE - PROFESSIONAL INDEMNITY, negligent act shall also mean any dishonest, breach of trust, fraudulent, criminal or malicious act or omission of any Employee of the Insured.</p> <p>For the purpose of this extension employee shall not include Partner or Director of the Insured or any subsidiary.</p> <p>The Policy shall not benefit any Employee who knew of or condoned any dishonest, breach of trust, fraudulent, criminal or malicious act or omission and there shall be no liability hereunder for any loss sustained in consequence of any dishonest, breach of trust, fraudulent, criminal or malicious act or omission committed by such Employee after the date of discovery by the Insured. In respect of this extension, exclusion 3.9 is deleted.</p> <p>This extension is in force only if sub-limited to the amount specified in the schedule which is part of the original limits of liability and not in addition to.</p>
4.5	Intellectual Property	<p>This insurance is extended to cover any Claim for compensatory damages against the Insured arising out of unintentional infringement of intellectual property rights.</p> <p>This extension is in force only if sub-limited to the amount specified in the schedule which are part of the original limits of liability and not in addition to.</p>
4.6	Breach of Authority	<p>This policy is extended to cover the Insured in respect of liability arising from deviation in good faith from representative authority which has been bestowed upon him by another in the course of the occupation of the Insured or in respect of any other liability arising from its activity even if it is not determined that there was negligence, error or omission by the Insured and provided that he acted in good faith.</p>
4.7	Vendors Liability	<p>This Policy hereby covers as additional Insured any company or individual selling the Insured's Technology Product (as specified in the attached vendors endorsement), but only for <u>claims</u> directly arising out of their activities of vending the Insured's technology products and only in respect of any <u>claim</u> falling under SECTION B OF COVERAGE - PRODUCTS LIABILITY.</p>
4.8	New Subsidiary	<p>Cover under this policy is extended to any Subsidiary which the Insured created after the inception date of this policy provided that the Subsidiary:</p> <ul style="list-style-type: none"> i has total gross assets which are less than 15% of the total gross revenue of the <u>Insured</u> for the last financial year before the date of acquisition and ii does not have any revenues from any business carried out in the United States of America or Canada And iii Undertake the same business as the Insured already notified to the Insurer and was accepted for cover under this policy <p>If a newly created Subsidiary fails to meet conditions (i), (ii) and (iii) above the Insured may request an extension of this policy for such Subsidiary provided that the Insured shall give the Insurer sufficient details to permit the Insurer to assess and evaluate the Insurer's potential increase in exposure. The Insurer shall be entitled to amend the policy terms and conditions, during the Policy Period, including by the charging of a reasonable additional premium.</p>

Chapter 5 | General provisions

5.1	Limit of Liability	<p>The Limits of Liability specified in the schedule are the total aggregate limit of the Insurer's liability for all Claims made against the Insured under all insurance covers under this policy combined.</p> <p>Notwithstanding the above, it is agreed that in the event of a Claim including Defence Costs, exceeding the total aggregate limit of liability, then in addition, this policy shall cover reasonable Defence Costs above the limit of liability, in relative correlation as between the limit of liability and the Claim amount, in accordance with Section 66 to the Insurance Contract Law, 1981. With regards to Claims filed outside the state of Israel, the reasonable Defence Costs will be in addition to the Limit of Liability. However such reasonableness will be measured based on reasonable costs in Israel in accordance with the Israeli Law.</p>
5.2	Handling a Claim	<p>The Insurer may investigate and settle or defend at its discretion any Claim or suit, in accordance with Section 68 of the Insurance Contract Law, 1981. The Insurer will act in cooperation with the Insured, in an effort to safeguard the legitimate interests of the Insured, inter alia the Insureds reputation.</p> <p>The Insurer will not defend any suit or pay any Claim and/or Defence Costs after the exhaustion of the applicable Limit of Liability by payment of Claims or Defence Costs.</p>
5.3	Self Insured Retention	<p>means the amount borne by the Insured in respect of each Claim and Defence Costs before the Insurer shall become liable to make payment here under.</p> <p>All Claims arising from a single negligent act, error or omission or a series of related negligent acts, errors or omissions shall be deemed to be a single Claim</p>
5.4	Subrogation	<p>The Insurer shall be subrogated to all the Insured's rights of recovery against any person or organisation before or after any payment under this insurance. The Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.</p> <p>For the purpose of this paragraph, the word "Insured" includes any Insured.</p> <p>If any payment is made under this Policy and the Insurer is thereupon subrogated to the Insured's rights of recovery in relation thereto, the Insurer agrees not to exercise such rights against any client/customer of the Insured unless the Claim is brought about or contributed to by dishonest, fraudulent, criminal or malicious act or omission.</p> <p>The clause above is required when the Insured has to provide an insurance certificate to its clients/customers.</p> <p>In any case, the waiver of subrogation will never be granted to the Insured's suppliers.</p>
5.5	Cross Liability	<p>The Insurer shall not cover Claims filed by the Insured under this policy against each other unless the claim is brought or maintained by an insured for contribution or indemnity, if the claim directly results from a third party claim otherwise covered under this policy.</p>
5.6	Primary Insured	<p>Primary Insured will be entitled to conduct negotiations with the Insurer on behalf of all Insured parties, to request any amendment or endorsement during the period of insurance and its signature on the proposal form. On requests for amendments to the policy during the period of insurance and/or any document issued by the Insurer suffices to bind all of the Insured parties, and will be entitled to conduct negotiations with the Insurer regarding claims, to receive any information and to settle any proceeding with the Insurer. Indemnity payments which are not paid directly to third parties will be paid solely to the primary Insured or as the primary Insured directs, and any notification submitted by the Insurer will be sent only to the primary Insured and such notification will be considered to have been sent to each of the Insured parties.</p>

5.7	Other Insurance	Where liability is Insured against one risk with more than one insurer for coincident period, the Insured shall notify this fact to the Insurer with a reasonable time after the double insurance is affected or after he becomes aware of it.
5.8	Assignment	Assignment of interest under this insurance shall not bind the Insurer without its written consent. If, however, the Insured dies, this insurance shall apply to the Insured's legal representative while acting in the scope of his duties as such or to the person having custody of the Insured's property pending appointment and qualification of a legal representative.
5.9	Material Information	<p>The Insured shall advise the Insurer in writing, as soon as reasonably possible, of any alteration, which affects the risk Insured.</p> <p>In granting cover to any one Insured, the Insurer 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.</p> <p>The Insured shall advise the Insurer in writing, as soon as reasonably possible, of any alteration, which affects the risk Insured.</p> <p>For the purpose of this insurance Material Alteration means, among other things, the following:</p> <ul style="list-style-type: none"> a Any facts that were specified as "material facts" in the proposal form or in any other document or attachments that considered the basis of the cover b Any change in the Insured's activity (including operation abroad) that was established after the policy inception. <p>In the event the insured didn't answer full and honest answers the Insurer reserve the all rights including cancellation of the policy according to Sections 4, 6, 7, 8, 18 and 19 of the Insurance Contract Law – 1981.</p>
5.10	Cancellation	<p>This insurance or any coverage included herein may be cancelled at any time by the Insurer by sending thirty days' notice by registered letter to the Insured at the last known address. The Insured shall be entitled to the return of a proportionate part of the premium corresponding to the unexpired Period of Insurance. This policy may be cancelled by the Insured at any time only by mailing written prior notice to the Insurer or by surrender of this policy to the Insurer or to its authorized agent. If this policy shall be cancelled by the <u>Insured</u>, the Insurer shall retain the customary 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.</p>
5.11	Dispute Procedure	Any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained in this policy is understood and agreed by both the Insured and the Insurer to be subject to Israeli Law. Each party agrees to submit to the exclusive jurisdiction of any court of competent jurisdiction within Israel and agree to comply with all requirements necessary to give such court jurisdiction.
5.12	When This Insurance Applies	This insurance applies to Claims first made against the Insured during the policy period . The Claim must be reported to the Insurer during the policy period . A Claim will be deemed to have been made only when suit or brought or written notice of such Claim is received by the Insured . If, during the policy period , the Insured becomes aware of any circumstances which may later give rise to a Claim , and shall, during the policy period , give the Insurer written notice, then such written notice will also be considered a Claim hereunder.

5.13 **How to Give Notice and Report a Claim**

Notice of a **Claim** or of circumstances which may result in a **Claim** shall be given in writing to **Claims** Department, Phoenix Insurance Company Ltd. 53, Derech Hashalom Road Givatayim 53454 Israel. If posted the date of posting shall constitute the date that notice was given, and proof of posting shall be sufficient proof of notice.

- i** The **Insured shall**, give written notice to the **Insurer** of any **Claim** made against an **Insured** as soon as practicable and either:
 - (a) any time during the **Policy Period** or during the **Discovery Period**;
 - or
 - (b) within 30 days after the end of the **policy period** or the **Discovery Period**, as long as such **Claim(s)** is reported no later than 30 days after the date such **Claim** was first made against an **Insured**.
- ii** If, during the **Policy Period** or during the **Discovery Period** written notice of a **Claim** against an **Insured** has been given to the **Insurer** pursuant to the terms and conditions of this policy, then any **Claim** arising out of, based upon or attributable to the facts alleged in the **Claim** previously notified to the **Insurer** or alleging a Single **professional indemnity Wrongful Act** and/or **product liability insurance event** which is the same as or related to any **professional indemnity wrongful act** and or **product liability insurance event** alleged in the previously notified **Claim**, shall be considered made against the **Insured** and reported to the **Insurer** at the time the first notice was given.
- iii** If during the **Policy Period** or during the **Discovery Period**, the company or the **Insured** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and shall give written notice to the **Insurer** of the circumstances and the reasons for anticipating a **Claim**, with full particulars as to dates and persons involved, then any **Claim** which is subsequently made against an **Insured** and reported to the **Insurer** arising out of, based upon or attributable to the circumstances or alleging any **professional indemnity wrongful act** and or **product liability insurance event** which is the same as or related to any **professional indemnity wrongful act** and or **product liability insurance event** alleged or contained in those circumstances, shall be considered made against the **Insured** and reported to the **Insurer** at the time the notice of the circumstances was first given.
- iv** The **Insured** shall not admit liability for or negotiate the settlement of any **claim** without the written consent of the **Insurer** which shall be entitled to conduct in the name of the **Insured** the defence or settlement of any **Claim** or prosecute for its own benefit any **Claim** for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any **Claim** and the **Insured** shall give all such information and assistance as the **Insurer** may require.

5.14 **Adjustment**

If any part of the premium is calculated on estimates the **Insured** shall within one month from the expiry of each **policy period** furnish such details as the **Insurer** may require and the premium for such period shall be adjusted subject to any minimum premium.

5.15 **Batch / Series Clause**

If the defects in products or their parts which caused the damage to several claimants resulted from one batch or series of production, then all such events shall be considered as one occurrence. In this case only one deductible shall apply in respect of all such **Claims**.

ENDORSEMENT I | VENDORS LIABILITY

This Policy hereby covers as additional **Insured** any company or individual selling the **Insured's** PRODUCTS, but only for **claims** directly arising out of their activities of VENDING the **Insured's** PRODUCTS and only in respect of any **claim** falling under SECTION B OF COVERAGE - PRODUCTS LIABILITY.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Vendor extension is subject to the attached wording:

Vendors Endorsement

Policy No.

Insured :

The Limit**Period of insurance****Retroactive Date:**

Provided that the total amount payable by the **Insurers** shall not exceed the indemnity limits irrespective of the number of parties claiming indemnity hereunder, it is declared and agreed that this policy is extended to indemnify the person or organization designated hereunder (hereinafter the vendor) but solely with respect to the distribution or sale in the regular course of the vendor's business of the **Insured** as designated hereunder subject to the following additional provisions:

1 This extension expressly excludes liability for or deriving of any express or implied warranty, or any liability for distribution or sale for a purpose unauthorized by the **Insured**.

2 This extension does not apply to injury or damage arising out or from:

- a** Any act of the vendor which changes the condition of the product (including its container and instructions of use).
- b** Any failure to maintain the product in merchantable condition.
- c** Non compliance with manufacturer's instructions (storage temperature, validation date, etc.).
- d** The failure to make any inspection, tests or servicing in connection with the distribution or sale of the product.
- e** Of products which after distribution or sale by the **Insured** have been labeled or relabeled or used as a container, part or ingredient of any thing or substance by or for the vendor.
- f** Occurring within the vendor's premises or occurring prior to sale of the designated products.

3 This extension does not apply to any person or organization from whom the **Insured** has acquired the designated products or ingredient part or container, entering into, an **Insurering** or containing such products.

Vendor:

Product:

Date:

