

Parametrix Cloud Outage Insurance

COVER CONFIRMATION

REFERENCE NUMBER	
POLICY NUMBER	
TYPE	Cloud Outage Insurance
INSURER	Menora Mivtachim Insurance Ltd.
INSURED AND ADDITIONAL NAMED INSUREDS	
INSURED'S ADDRESS	
CALCULATION AGENT	Parametrix Monitoring System by Index Parametrix Solutions Ltd.
POLICY PERIOD	
COVERAGE PERIOD	
ASSESSED LOSS PER HOUR	
WAITING PERIOD	
MAXIMUM DURATION LIMIT	
OUTAGE EVENT LOSS LIMIT	
SECTION AGGREGATE LIMIT	
POLICY AGGREGATE LIMIT	
CLOUD SERVICE PROVIDER	
CLOUD SERVICE(S)	
CLOUD SERVICE PROVIDER (CSP) REGION(S)	
TERRITORY	Israel
APPLICABLE LAW	Israel
PREMIUM	

Parametric Cloud Outage Insurance Policy

POLICY FORM

In consideration for payment of or agreement to pay the **Premium** shown in the **Policy Schedule**, the **Insurer** agrees to provide the coverage described herein subject to all the terms and conditions of this **Policy**. This document contains the contract terms entered into by the **Insurer** and the **Insured** and with the **Policy Schedule** constitutes the contract document (the "**Policy**"). Any changes to this **Policy** shall be agreed in writing between the parties and added via an endorsement.

Words in bold are defined in the Definitions clause of this **Policy**. **Bold** terms not otherwise defined in this **Policy** wording shall have the meaning given to the term in the **Policy Schedule**. The titles of paragraphs in this **Policy** are for reference only and do not in any way affect the provisions of this **Policy**, and "includes" (and its derivatives) means without limitation.

This **Policy** provides a parametric cover to the **Insured**, with coverage aligned with the **Assessed Outage Value** as defined in this **Policy**.

1. INSURING CLAUSE

The **Insurer** shall indemnify the **Insured** for all **Loss** incurred as a result of an **Outage Event** first commencing during the **Policy Period**, upon expiry of the **Waiting Period** and subject to the terms, **Conditions** and **Exclusions** contained herein, subject to the following:

- (i) the **Insurer** shall only be liable under each Section of this **Policy** for **Loss** in respect of **Outage Event(s)** if and to the extent that the **Indemnity Period** for such **Outage Event** is in force during the **Coverage Period** in respect of such Section, as listed in the **Policy Schedule**;
- (ii) the **Insurer's** liability in respect of any **Outage Event** shall not exceed the aggregate of the applicable **Outage Event Loss Limit(s)** in respect of the applicable Section(s) as listed in the **Policy Schedule**;
- (iii) the **Insurer's** total liability in respect of all **Outage Events** under the applicable Section of this **Policy** shall not exceed the **Section Aggregate Limit** listed in the **Policy Schedule**; and
- (iv) the **Insurer's** total liability in respect of all **Outage Events** under all Sections of this **Policy** shall not exceed the **Policy Aggregate Limit** listed in the **Policy Schedule**.

Notwithstanding paragraph (i) above, if the **Indemnity Period** in respect of an **Outage Event** first commences or is otherwise in force after expiry of the **Policy Period**, the **Insurer** shall be liable for **Loss** in respect of such **Outage Event** under each Section of this **Policy** which would have otherwise applied had the **Indemnity Period** been in force immediately prior to the end of the **Policy Period**.

2. OUTAGE EVENT

Outage Event means an interruption in any one or more of the **Cloud Service(s)** insured under this **Policy**, and is deemed to:

- (i) commence at the time when the **Parametrix Monitoring System** first makes a simultaneous recording of **Service Unavailable Status** in respect of all **CSP Region(s)** of any one of the **Cloud Service(s)** insured under the applicable Section(s) of this **Policy**; and
- (ii) to end at the time when the **Parametrix Monitoring System** records at least one **CSP Region** as no longer in **Service Unavailable Status** with respect to each of the **Cloud Service(s)** insured under the applicable Section(s) of this **Policy** (whether or not such **CSP Region** is the same for each **Cloud Service**).

Notwithstanding (ii) above, if a further **Outage Event** in respect of such **Cloud Service(s)** commences within 30 minutes of the end of the prior **Outage Event**, then both **Outage Events** shall be considered, for the purpose of this **Policy**, to be a single **Outage Event** in respect of which:

- (a) The total **Indemnity Period** for such 'single **Outage Event**' shall be the sum of the **Indemnity Periods** for each of the separate **Outage Events** (and for the avoidance of doubt, shall not include any interim period for which no **Outage Event** was ongoing); and
- (b) Only a single **Waiting Period** shall apply, being the **Waiting Period** applying to the first **Outage Event**. For any further **Outage Event** comprising part of the same 'single **Outage Event**', no **Waiting Period** shall apply and the **Indemnity Period** shall commence immediately upon first commencement of the **Outage Event**.

3. LIMIT OF LIABILITY AND RETENTION

A **Waiting Period** shall apply in respect of each **Outage Event** giving rise to **Loss**. Upon expiry of the **Waiting Period** the **Insurer** shall provide an indemnity for **Loss** incurred during the **Indemnity Period**.

Except as set out at Clause 6 (Failure of the **Parametrix Monitoring System**) below:

- (i) the **Outage Event Loss Limit** for the applicable Section listed in the **Policy Schedule** shall be the limit of the **Insurer's** liability for each **Outage Event** under that Section; and
- (ii) the **Section Aggregate Limit** listed in the **Policy Schedule** shall be the total limit of the **Insurer's** liability under the relevant Section of this **Policy** regardless of the number of **Outage Events** covered under such Section commencing during the **Policy Period**; and
- (iii) the **Policy Aggregate Limit** listed in the **Policy Schedule** shall be the total limit of the **Insurer's** liability under all Sections of this **Policy** regardless of the number of **Outage Events** commencing during the **Policy Period**.

4. DEFINITIONS

- a) **Assessed Loss per Hour**
The monetary amount stated as **Assessed Loss per Hour** in the **Policy Schedule**, in respect of the relevant Section.
- b) **Assessed Outage Value**
The **Assessed Loss per Hour** in respect of the relevant Section, multiplied by the number of hours (rounded up to the nearest 0.25 increment of any one hour (i.e.

15 minutes)) for the period during which the **Indemnity Period** is in force in respect of the **Coverage Period** of the relevant Section.

- c) **Cloud Service**
The individual outsourced information technology services listed in the **Policy Schedule** in respect of the relevant Section, provided to the **Insured** by a **Cloud Service Provider** from the **CSP Region(s)** pursuant to written contract.
- d) **Cloud Service Provider**
The commercial entity (as listed in the **Policy Schedule** in respect of the relevant Section) that delivers a **Cloud Service**.
- e) **Coverage Period**
The period of time between the dates and times specified in the **Policy Schedule**, in respect of the applicable Section.
- f) **CSP Region(s)**
The physical geographic location(s) of the datacenter(s), as listed in the **Policy Schedule** in respect of the relevant Section.
- g) **Declaration of Loss**
Declaration contained in the Appendix of this **Policy** confirming that a **Financial Loss** was incurred as a direct result of a specified **Outage Event** and the duration of the impact of the **Outage Event** on the **Insured's** operations.
- h) **Financial Loss**
Reasonable extra costs and expenses, increased cost of working, business interruption, loss of reputation or other costs incurred by the **Insured** as a direct result of the **Outage Event**.
- i) **Indemnity Period**
 - i) The period commencing after expiry of the **Waiting Period** in respect of an **Outage Event** and ending either when the **Outage Event** ends or at expiry of the applicable **Maximum Duration Limit** in respect of the relevant Section, whichever occurs first. The duration of the **Indemnity Period** shall be rounded up to the next 0.25 increment of any one hour (15 minutes), subject to the **Maximum Duration Limit**; or
 - ii) if less, the period stated in the **Declaration of Loss** in the Appendix of this **Policy** and signed by the **Insured's** authorized director or officer.
- j) **Insured or You**
The entity specified in the **Policy Schedule**.
- k) **Insurer**
Menora Mivtachim Insurance Ltd.
- l) **Loss**
The **Insured's Financial Loss** incurred during the **Indemnity Period**.
- m) **Maximum Duration Limit**
The period of time specified in the **Policy Schedule**, in respect of the relevant Section.

- n) **Outage Event Loss Limit**
The monetary amount specified in the **Policy Schedule**, in respect of the relevant Section.
- o) **Parametrix Monitoring System**
Metrics provided by Index Parametrix Solutions Ltd., (or any successor as determined under the conditions of Clause 6 which monitors the **Cloud Service(s)** on behalf of the **Insured**.
- p) **Policy**
This policy wording, the **Policy Schedule** and any endorsements.
- q) **Policy Period**
The period of time between the inception date and the time specified in the **Policy Schedule**.
- r) **Policy Schedule**
The risk details specifying the coverage and limits insured.
- s) **Service Unavailable Status**
Data supplied by the **Parametrix Monitoring System** showing no service from the **Cloud Service**.
- t) **Waiting Period**
The period of time specified in the **Policy Schedule**, as applicable to the relevant Section, which commences upon the first commencement of an **Outage Event**.

5. EXCLUSIONS

This **Policy** does not cover any **Loss** directly arising out of or resulting from:

a) **Degradation in Service**

Degradation in, latency or any other interruptions to **Cloud Services** that are not shown to be an **Outage Event**.

b) **Planned Maintenance**

Scheduled maintenance for a specified time period that the **Insured** was made aware of in advance by the **Cloud Service Provider**. However, this **Exclusion** shall not apply to the extent that the duration of such scheduled maintenance is extended as the result of an **Outage Event**.

c) **Prior Events**

Outage Events that commenced prior to the inception of the **Policy Period**.

d) **Breach of Contract or Non-Delivery**

- (i) any breach of contract by the **Insured** in relation to the **Cloud Services** (including but not limited to any guarantee or warranty provided by the **Insured**);
- (ii) the intentional failure to offer or the intentional cancellation or cessation of provision by the **Cloud Service** Provider of the **Cloud Services** for any

reason whatsoever whether permanently or temporarily, other than in an **Outage Event**.

e) **Insolvency**

The insolvency or bankruptcy of the **Cloud Service Provider**.

f) **Government or Regulatory Action**

Any act, notice, or order of any government or regulatory body or agency disrupting the operation of or provision of the **Cloud Services** including any such response due to the existence or threat (actual or perceived) of contamination, contagion, infection, pandemic, epidemic, viruses, bacteria, or other communicable diseases

g) **War, hostile or warlike action**

(a) War, hostile or warlike action in time of peace or war, including action in hindering, combatting or defending against an actual, impending or expected:

- (i) attack by any governmental or sovereign power (de jure or de facto), military, naval or air force;
- (ii) insurrection, rebellion, revolution, civil war, usurped power, or piracy;
- (iii) capture, seizure, arrest, restraint or detainment, or any attempt thereat;

(b) any taking by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or

(c) confiscation, nationalization, expropriation of the **Insured's** own equipment, that of the **Cloud Service Providers** in respect of insured **CSP Region(s)**, or third parties commissioned by the **Cloud Service Providers** in order to provide the **Cloud Services** specified in the **Policy**.

h) **War and Cyber Operation**

See appendix 1 for LMA5567A

i) **Riot and Civil Disorder**

Events resulting from hostile acts, riots, civil disturbances, general strike or illegal strike.

j) **Terrorism**

Any acts intended to achieve political, religious, ethnic, or ideological objectives and designed to spread fear or terror among the population or parts thereof, in order to exert influence over a government or governmental institutions.

k) **Nuclear reaction, radiation or other contamination**

Nuclear reaction or nuclear radiation or nuclear, chemical, biological or radioactive contamination from any cause, whether direct or indirect, controlled or uncontrolled, proximate or remote.

l) **Non-Cloud Service Provider Infrastructure**

Inability of the Insured to use the insured **Cloud Services** due to a failure of public infrastructure, including but not limited to electrical power and internet, unless such infrastructure is directly used by the **Cloud Service Provider** in the **CSP Region(s)** specified in the **Policy Schedule**, and is related to an **Outage Event** otherwise insured by this **Policy**.

m) **Sanctions**

The **Insurer** shall not provide cover and the **Insurer** shall not be liable to pay any claim or provide any benefit under this **Policy** to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **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 insofar as they are not in contradiction to the legislative provisions applicable to the **Insurer**.

n) **Worldwide Cloud Service Failure**

Defined as an event where a **Cloud Service** is in **Service Unavailable Status** in half or more of the **CSP Region(s)** operated by the **Cloud Service Provider** for a duration of four (4) or more hours within a period of 24 hours.

6. EXTENSION – Failure of the Parametrix Monitoring System

The coverage provided by this **Policy** shall continue to apply in the event that the **Parametrix Monitoring System** fails to make a recording of **Service Unavailable Status**, or fails to provide such a recording to the **Insured**, for any reason other than that the thresholds for attaining **Service Unavailable Status** have not been reached, including due to any:

- a. damage to, loss, destruction, corruption, theft, or loss of operational control of electronic data held by or on behalf of Parametrix Solutions Inc.;
- b. unauthorised access to or use of data in the care, custody or control of, or computer systems owned, leased or operated by or on behalf of, Parametrix Solutions Inc.;
- c. introduction of malicious computer code or other malicious electronic attack directed at or occurring within any computer systems owned, leased or operated by or on behalf of, Parametrix Solutions Inc.; and
- d. accidental or unintentional failure or total or partial unavailability of computer systems owned, leased or operated by or on behalf of, Parametrix Solutions Inc., or data held on such computer systems.

In such circumstances, the **Insurer** agrees that the commencement of and duration of **Service Unavailable Status** in respect of any **CSP Region(s)** of any **Cloud Service** insured under this **Policy** shall be evidenced by provision by the **Insured** of data from an alternative calculation agent (to be agreed by the **Insurer** and the **Insured**, such agreement not to be unreasonably withheld or delayed) showing no service from the relevant **CSP Region(s)** of

the **Cloud Service(s)**, and such data shall be deemed for purposes of the **Policy** to comprise data provided by the **Parametrix Monitoring System**.

The **Insurer** shall indemnify the **Insured** up to a limit of USD 2,500 in respect of fees, costs and expenses incurred by the **Insured** in obtaining, preparing, presenting, certifying and/or verifying such data from an alternative calculation agent. This is in addition to the **Outage Event Loss Limit** and is not subject to a **Waiting Period** or other retention.

7. CLAIMS CONDITIONS

a) Claims Procedure

The **Insured** and the **Insurer** shall be notified of an **Outage Event** via data provided by **Parametrix Monitoring Systems**.

The **Insured** and **Insurer** agree that the indemnity provided in respect of **Loss** arising from an **Outage Event** shall be calculated as the **Assessed Outage Value** pursuant to the formula under Clause 4(b) (Definitions) above. The **Assessed Outage Value** shall be calculated separately in respect of each relevant Section, to the extent that the **Indemnity Period** in respect of the **Outage Event** is in force during the **Coverage Period** of such Section.

Prior to any indemnity being due from the **Insurer**, the **Insured** shall first provide the **Insurer** with a **Declaration of Loss**, signed by its authorised director or officer and in the form set out in the Appendix to this **Policy**.

In order to be eligible for indemnity under this **Policy** the **Insured** will provide the **Declaration of Loss** within 60 calendar days of the occurrence of the **Outage Event**.

The **Insurer** shall, within 15 business days of receipt of such **Declaration of Loss**, make payment to the **Insured** of the **Assessed Outage Value** in respect of the **Outage Event**, subject to the provisions of Clause 3 (Limit of Liability and Retention) of this **Policy**.

b) Subrogation Clause

The **Insurer** shall be subrogated to the extent of any payment under this **Policy** in respect of **Loss** to all the rights and remedies of the **Insured** against any party in respect of such **Loss**, damage or liability and shall be entitled at their own expense to sue in the name of the **Insured**. The **Insured** shall give to the **Insurer** all such assistance as the **Insurer** may reasonably require to secure their rights and remedies and, at the **Insurer's** request, shall take all reasonable steps to protect any such potential rights and execute all documents reasonably necessary to enable the **Insurer** effectively to bring suit in the name of the **Insured** including the execution and delivery of the customary form of loan receipt. The **Insured** shall take no steps that could prejudice, and shall take all necessary action (including positive action) to retain, any such right of recovery.

8. GENERAL CONDITIONS

a) Policy Limits

The **Policy Aggregate Limit** specified in the **Policy Schedule** shall be the maximum liability of the **Insurer** under this **Policy**.

b) **Waiting Period**

The **Insurer** will only become liable for any **Loss** upon expiration of the applicable **Waiting Period**. Any **Loss** incurred during the **Waiting Period** is uninsured.

c) **Assignment**

The interest hereunder is not assignable by any qualifying **Insured**.

d) **Law & Jurisdiction**

This Insurance shall be governed by Israeli law and the Israeli Courts shall have exclusive jurisdiction in any dispute arising hereunder.

e) **Construction and Interpretation**

- i) Any reference to legislation, statute, regulation, or law includes any similar or related law, statute, ordinance, or regulation, any amendments, and any rules or regulations or executive orders promulgated thereunder, or by federal, state, local or other agencies or similar bodies thereof. Any reference to a regulatory or investigative or other state or local governmental body includes any similar, subsidiary or related agency or body.
- ii) All or part of any provision of this **Policy** which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable.

f) **Cancellation and non-payment of Premium**

This **Policy** may only be cancelled in whole or in part:

- (i) by the **Insurer**, for fraud, pursuant to Israel Insurance Law 1981.
- (ii) by the **Insurer** for non-payment of **Premium**, in accordance with the Premium Payment Clause, by sending a written notice to the **Insured**. If the **Insured** does not pay the outstanding premium within 15 working days following receipt of the **Insurer's** written notice, the **Insurer** may notify the **Insured** in writing that the **Policy** will be cancelled immediately.

In addition, the contract may be terminated by either contracting party extraordinarily for good cause and without notice in text form (e.g. e-mail, fax or letter). Such good cause, entitling both contracting parties to terminate the contract shall exist, exclusively,

- (i) if Index Parametrix Solutions Ltd. stops operating the **Parametrix Monitoring Systems** due to reasons that we cannot influence;
- (ii) if Index Parametrix Solutions Ltd. becomes subject to insolvency or bankruptcy determination proceedings in the country of its establishment or headquarters, or of another legal remedy concerning the rights of debtors or if Index Parametrix Solutions Ltd. or a third party entitled to do so applies for winding up or liquidation.

In case of cancellation by the **Insurer** or by the **Insured** the **Insurer** shall retain the pro rata proportion of the **Premium** hereon; and upon formal notice to the **Insured** by a **Cloud Service** Provider of the cancellation or discontinuation of all **Cloud Services** insured under this **Policy**, in which case the **Policy** will be cancelled in respect of such **Cloud Service(s)** as of the day after such cancellation or

discontinuation, and the pro rata portion of the **Premium** for the period after the cancellation will be returned to the **Insured**, unless the **Insured** has notified or intends to make a **Claim** under this **Policy** in respect of such **Cloud Service(s)**.

g) **Premium Payment Clause**

The **Insured** will pay the **Premium** in full to the **Insurer** within 30 days of inception of this **Policy** (or, in respect of instalment premiums, when due).

h) **No Third Party Rights**

This insurance is solely between the **Insured** and the **Insurer** and in no instance shall any claimant or other third party have any rights under this insurance.

Notices

1. Any communication under or in connection with this **Policy** shall be in writing and, unless otherwise stated, may be made by e-mail or pre-paid and recorded delivery letter.
2. The delivery address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with the **Policy** are:
 - a) in the case of the **Insurer**:
 - b) in the case of the **Insured**:
 - c) in the case of the Broker:or any substitute address, or department or officer as the party may notify to the other party in writing from time to time.
3. Any communication or document made or delivered by one person to another under or in connection with this **Policy** shall be effective only:
 - a) if by way of letter, when it has been left at the relevant address, or at the date of any recorded delivery at that address; or
 - b) if by way of email, when the email is sent, provided that it is acknowledged by return email or that the sender confirms the email by sending a hard copy within 2 business days.

Signed on behalf of Menora Mivtachim Insurance Ltd.:

Name and Signature: _____

Date: _____

Appendix 1 - War And Cyber Operation Exclusion

1. Notwithstanding any provision to the contrary in this insurance, this insurance does not cover that part of any loss, damage, liability, cost, or expense, of any kind:
 - 1.1. directly or indirectly arising from a **war**, and/or
 - 1.2. arising from a **cyber operation** that is carried out as part of a **war**, or the immediate preparation for a **war**, and/or
 - 1.3. arising from a **cyber operation** that causes a **state** to become an **impacted state**.

Paragraph 1.3 shall not apply to the direct or indirect effect of a **cyber operation** on a **computer system** used by the insured or its third party service providers that is not physically located in an **impacted state** but is affected by a **cyber operation**.

Attribution of a **cyber operation** to a **state**

2. Notwithstanding the insurer's burden of proof, which shall remain unchanged by this clause, in determining attribution of a **cyber operation** to a **state**, the insured and insurer will consider such objectively reasonable evidence that is available to them. This may include formal or official attribution by the government of the **state** in which the **computer system** affected by the **cyber operation** is physically located to another **state** or those acting at its direction or under its control.

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 infrastructure 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. If there is any inconsistency between definitions of **computer system** in this exclusion and the contract of insurance, the definition in the contract of insurance shall apply.
4. **Cyber operation** means the use of a **computer system** by, at the direction of, or under the control of a **state** to:
 - 4.1. disrupt, deny access to or, degrade functionality of a **computer system**, and/or
 - 4.2. copy, remove, manipulate deny access to or destroy information in a **computer system**.
5. Essential service means a service that is essential for the maintenance of vital functions of a **state** including, but not limited to, financial institutions and associated financial market infrastructure, health services or utility services.
6. **Impacted state** means any **state** where a **cyber operation** has had a major detrimental impact on:
 - 6.1. the functioning of that **state** due to disruption to the availability, integrity or delivery of an essential service in that **state**, and/or
 - 6.2. the security or defence of that **state**.
7. **State** means sovereign state.
8. **War** means armed conflict involving physical force:
 - 8.1. by a **state** against another **state**, or
 - 8.2. as part of a civil war, rebellion, revolution, insurrection, military action or usurpation of power, whether war be declared or not.

LMA5567A
18 January 2023

Appendix 2: Declaration of Loss

(Specimen)

I _____ hold the position of _____ at [Policyholder Name]. I hereby declare that:

1. The outage event relating to [Cloud Service Provider and Cloud Service(s)] in the [CSP Region(s)] Cloud Service Provider Region, that occurred starting on [Event Start Date and Time and Time zone] and ending on [Event End Date and Time and Time zone] affected the company's and/or one of the named additional insureds' operations, and resulted in a financial loss.
2. The duration of the impact of the outage event on the company's and/or one of the named additional insureds' operations, after accounting for disaster recovery, and other measures taken (check the appropriate box):

lasted for a time period consistent with the times stated above or longer

commenced at _____ and concluded at _____ .

Signed by:

Role:

Signature:

Date:

.....

(By authorized signatory)