

DEFECTIVE PART EXCLUSION BUY-BACK

Notwithstanding the provisions of the Defective Part Clause in Section I of the attached Policy, this insurance will pay for the cost of repair or replacement of defective parts which have suffered physical loss and/or physical damage during the PROJECT period, but the recovery of such costs is subject to:

- a) deductible \$250,000 each part, each accident or Occurrence; and
- b) a total aggregate limit of \$10,000,000 for all losses during the PROJECT period, including the Maintenance Period; and
- c) the provisions of the Basis of Recovery Clauses in Section I of the Policy; and
- d) an additional premium of \$375,000 to be allocated into relevant policies at expiry of all policies;

However, it is specifically understood and agreed that this endorsement will not provide recovery for cancellation charges, stand-by costs or consequential costs or expenses that would not be recoverable under the terms and conditions of the Policy in the absence of this clause.