

Capping of Limits Endorsement

It is agreed that:

1. DECLARATIONS SECTION of this Policy is amended by adding the following to LIMITS OF LIABILITY:

• AGGREGATE LIMITS OF LIABILITY

A. Notwithstanding any terms or conditions of this Policy which might be construed otherwise, and subject to paragraphs B. and C. below, the maximum payable for all loss and damage in any one Occurrence under:

1. this Policy and

2. any other insurance policy effective during the policy period of this Policy, that is issued to International Business Machines by, or at the request of, us or any of our Affiliated or Non-Affiliated Companies, to the Named Insured or any of the Named Insured's Affiliated or Non-Affiliated Entities, as part of International Business Machines' global marine insurance program,

combined (collectively, this Policy and all such other policies are referred to as "the Program Policies"), shall be the Each Occurrence Limit of USD35,000,000 ("Each Occurrence Limit").

Subject to paragraphs B. and C. below, the Each Occurrence Limit is the most that will be paid under all of the Program Policies combined for all loss and damage in any one Occurrence, regardless of the number of Locations or coverages involved.

B. Notwithstanding any terms or conditions of this Policy or any of the other Program Policies which might be construed otherwise, and subject to paragraph C. below, with regard to covered loss caused by a peril or to a type of covered property or in or affecting a geographic area or location for which a specific limit of liability or sublimit of liability as shown within this Policy, as applicable to an Occurrence, the maximum payable for all such loss and damage in any one Occurrence under this Policy and the other Program Policies, combined, shall be the applicable sublimit set out on the Schedule.

The limits of liability or sublimits of liability set out in the Schedule are the most that will be paid under this Policy and the other Program Policy(ies), combined, in any one Occurrence with regard to the corresponding peril, type of covered property, or geographic area or location, regardless of the number of Locations or coverages involved.

C. Notwithstanding any terms or conditions of this Policy or any other Program Policy which might be construed otherwise, with regard to covered loss caused by the perils of Earthquake and Flood, or any other peril (including sub-categories within a peril), or to a type of covered property or in or affecting a geographic area or location, for which an annual aggregate limit of liability is shown in the Declarations of this Policy, the maximum annual aggregate liability, combined, under:

1. this Policy and

2. any other Program Policy; and

3. any direct or indirect replacement of the policies shown in C.1. or C.2. above

shall be the annual aggregate limit of liability corresponding to such peril or sub-category of peril, type of covered property, or geographic area or location shown in the Schedule.

Such annual aggregate limits of liability are the most that will be paid under this Policy and the other Program Policies, combined, in any annual period of the policy term with regard to covered loss caused by Earthquake and Flood, or other such peril or sub-category, type of coverage property, or geographic area or location regardless of the number of Occurrences, Locations, or coverages involved.

D. Nothing in this section shall increase any Occurrence or aggregate Limit of Liability or sublimit of liability of this Policy or any other Program Policy.

2. For purposes of this endorsement, the following definitions are added to the Policy:

- "Affiliate" means one or more persons or entities that directly or indirectly controls and/or owns, is controlled and/or owned by, and/or is under common control and/or ownership with, the person or entity specified.
- "Affiliated or Non-Affiliated Company" or "Affiliated or Non-Affiliated Companies" means our Affiliates and any insurer that is not affiliated with us that issues to the Named Insured or the Named Insured's Affiliates one or more property insurance policies upon our or our Affiliate's request.
- "Affiliated or Non-Affiliated Entities" means the Named Insured's "Affiliates" and any entities unrelated to the Named Insured which are insured under any Program Policy.
- "Us" and "our" mean the insurer issuing this policy.

- Schedule means Schedule of Limits and Sublimits as shown within this Policy.

All other terms and conditions of this Policy remain unchanged.