



SHOMERA INSURANCE COMPANY LTD.

JEWELLERS' BLOCK INSURANCE POLICY

Whereas the Assured named in the Schedule herein (hereinafter called the "Assured") has made to the SHOMERA INSURANCE COMPANY LTD. (hereinafter called the Insurers) a written proposal and declaration, together with particulars and statements contained therein, it is hereby agreed that the said proposal and declaration forms the basis of the contract and is to be considered as incorporated herein.

WE THE INSURERS hereby agree that, if at any time during the period specified in the Schedule the property insured or any part thereof shall be lost or damaged by any peril insured against as set forth in the said Schedule, to indemnify the Assured in respect of such loss or damage to the extent and in the manner hereinafter provided.

EXCLUSIONS

This policy does not cover:-

- (1) Loss or damage by theft or dishonesty or dishonest deception committed by
 - (a) any servant or traveller or messenger in the exclusive employment of the Assured (except when conveying property insured to the Post) or
 - (b) any customer or broker or broker's customer or agent in respect of property entrusted to them by the Assured, his or their servants or agents.Unless such loss or damage arises when such property is deposited for safe custody by the Assured, his or their servants or agents, with such broker or customer or broker's customer or agent.
- (2) Damage to property insured which may be sustained whilst the same is being actually worked upon and directly resulting therefrom.
- (3) Loss or damage (including loss or damage by fire or theft) directly or indirectly resulting from typhoon, hurricane, cyclone, volcanic eruption, earthquake, subterranean fire or other convulsion of nature. (This exclusion applies only to risks on land).

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- (4) Goods missing at stocktaking in respect of which no claim has been previously notified, unless the loss be proved by the Assured to be due to a peril covered by the Policy.
- (5) Loss of or damage to property insured whilst the same is being worn (except watches worn solely for the purpose of testing) or used by the Assured, any Principal, Director or Partner of the Assured, members of their families, relatives, staff or friends or whilst in their custody for this purpose.
- (6) Loss of or damage to property insured whilst at any Public Exhibition promoted financially assisted by any Public Authority or by any Trade Association.
- (7) Theft or disappearance of or from road vehicles of every description owned by or under the control of the Assured and/or his or their servants or agents or representatives when such vehicles are left unattended.
- (8) Loss of or damage to goods entrusted to the Assured by private clients and/or customers solely for safe custody.
- (9) Loss of or damage to property occurring through the operation of a peril against which, at the date of the happening of such loss or damage, the Assured has effected separate insurance irrespective of whether or not such other insurance is liable or does meet such loss.
- (10) Loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices traveling at sonic or supersonic speeds.
- (11) Loss of or damage to Computer System's Records.
- (12) Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, riots civil commotions or 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.

(13) (a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(b) Any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

(i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

(ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

CONDITIONS

1. It is understood and agreed that the Assured shall keep detailed records of all sales, purchases and other transactions, and that such records shall be available for inspection by the Insurers or their representatives in case of a claim being made under this Policy.
2. It is further understood and agreed that such protections and/or Safeguards as may be referred to in the written proposal and declaration as being in force shall not be withdrawn or varied to the detriment of the interests of the Insurers without their consent and immediate advices shall be given to the Insurers of any notice of withdrawal of police or other security force protection.
3. It is a condition precedent to the liability of the Insurers under this Policy that all keys and duplicate keys capable of operating the alarms (if any) and all keys and duplicate keys of Safes and Strong Rooms are removed from the premises when the said premises are not open for business.
4. It is a condition precedent to the liability of the Insurers under this Policy in respect of any postal sendings containing jewellery, precious stones, precious metals and/or watches exceeding ST. 50 any one package that such packages are sent by registered letter post or equivalent airmail service.
5. This policy may be cancelled at any time at the request of the Assured in writing to the Broker who effected the insurance, and the premium hereon shall be adjusted on the basis of the Insurers receiving or retaining the customary short term premium.

This policy may also be cancelled by or on behalf of the Insurers by thirty days' notice given in writing to the Assured at this last known address, and the premium hereon shall be adjusted on the basis of the Insurers receiving or retaining pro rata premium.

Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed.

6. The Assured shall in case of loss or damage and as a condition precedent to any right of indemnification in respect thereof give to the Insurers such information and evidence as to the property lost or damaged and the circumstances of the loss or damage as the Insurers may be reasonably required and as may be in the Assured's power.
7. If the Assured shall any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.

O(E) NMA 2480

RIOTS, STRIKES & MALICIOUS DAMAGE EXTENSION CLAUSE NO. 1
(OVERSEAS)
(Average Condition as in Policy)

Subject otherwise to the terms and conditions of this Policy, this Policy is hereby extended to cover RIOT AND STRIKE DAMAGE and MALICIOUS DAMAGE, as hereinafter defined to the property specified therein. For the purpose of this extension:-

1. "Riot and Strike Damage" shall mean loss of or damage to the property insured directly caused by:-
 - (a) Any act committed in the course of a disturbance of the public peace by any person taking part together with others in such disturbance; or
 - (b) Any wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out whether or not such act is committed in the course of a disturbance of the public peace; or
 - (c) Any act of any lawfully constituted Authority for the purpose of suppressing or minimizing the consequences of any existing disturbance of the public peace, or for the purpose of preventing any such act as is referred to by in (b) above or minimizing the consequences thereof;but, in the case of loss or damage caused by any such act as is referred to in (b) above, shall not (unless such act is committed in the course of a disturbance of the public peace) include any loss or damage by fire howsoever such fire may have been caused or any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or caused by any person taking part therein.
2. "Malicious Damage" shall mean loss of or damage to the property insured directly caused by any malicious act of any person whether or not such act is committed in the course of a disturbance of the public peace, but shall not include any loss or damage by fire howsoever such fire may have been caused or any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or caused by any person taking part therein.

EXCLUSIONS

Notwithstanding anything to the contrary herein contained this extension does NOT cover :-

- (a) Loss or damage resulting from total or partial cessation or interruption or retarding of work or of any commercial or industrial process or operation.
- (b) Loss (whether temporary or permanent) of the insured property or any part thereof by reason of confiscation, requisition, detention or legal or illegal occupation of such property or of any premises, vehicle or thing containing the same.
- (c) Loss of earnings, loss by delay, loss of market or consequential or indirect loss or damage of any kind or description whatsoever.

- (d) Loss or damage, if the disturbance of the public peace, strike, lock-out, act of lawfully constituted Authority or malicious act, in the course of or arising out of which such loss or damage arises, constitutes or is part of , or occurs or is committed whether directly or indirectly by reason of or in connection with, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to a popular rising, military or usurped power, or any act of terrorism committed by a person or persons acting on behalf of or in connection with any organization. (For the purpose of this Exclusion, "terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.)
- (e) Loss or damage directly or indirectly caused by or contributed to by or arising from ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

CONDITIONS

1. In any claim, and in any action, suit or other proceeding to enforce a claim, for loss or damage under this extension the burden of proving that the loss or damage does not fall within Exclusion (d) above set out shall be upon the Assured.
2. This extension does not cover any loss or damage which at the time of the happening of such loss or damage is insured by or would, but for the existence of this extension, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this extension not been effected.
3. Any item of this Policy which is already subject to any condition or conditions of average for fire or other hazards insured by this Policy shall be subject to the same condition or conditions of average for the purpose of this extension.
4. The Assured shall, at the request and expense of the Insurers, take all steps that may be necessary to protect the interest of Insurers.
5. there shall be no canceling of this extension and no return of premium shall be paid in respect thereof for short interest.

N.M.A. 1986 (31.5.84)

PRIVATE DWELLING HOUSE CLAUSE (C.H.) (1989)

Notwithstanding anything contained herein to the contrary no liability shall attach for burglary or theft of property as defined under Item 1, whilst in any private dwelling house of the Assured, their principals, employees, representatives, travelers or agents, whenever the same is left without a responsible person therein, unless such property is contained in a locked safe approved by underwriters at the time of loss.

ALARM MAINTENANCE CLAUSE (C.H. 1989)

It is an express condition of this insurance, in respect of loss or damage resulting from burglary and/or theft accompanied by break-in that:

- a) As soon as the Insured premises are closed for business or whilst the said premises are left unattended the burglar alarm system shall be fully operative and in normal working order.
- b) The said alarm system shall be maintained in operation according to the contract with during the whole of the period of this policy.

If the Assured shall fail to comply with the obligations mentioned above, all right to indemnify under this contract shall be forfeited.

SENDINGS EXCLUSION CLAUSE (C.H. 1989)

Notwithstanding anything contained herein to the contrary this policy does not cover loss or damage arising from goods transported or destined for transportation by post, railway or public transport from the moment when the said goods leave the premises of the sender in order to be sent to the post, railway or to the office charged with the sending until the moment of their arrival in the premises of the recipient.

INVALID PAYMENTS EXCLUSION CLAUSE (C.H. 1989)

This policy does not cover loss resulting from acceptance by the Assured of any currency which subsequently is proved to have been forged, counterfeit or otherwise invalid for any reason whatsoever, or from acceptance by the Assured of any cheque, credit or charge card, or other negotiable instrument which is subsequently dishonoured for payment ; or any other form of payment which is invalid or uncollectible for any reason whatsoever.

SHOWCASE CLAUSE (C.H.) (1989)

"Applicable to theft from showcases, safes, cupboards and rear of display windows)

It is a condition precedent to liability that in respect of loss by theft, whilst the premises are open for business, all showcases, safes, cupboards containing stock and the rear of all display windows be locked and keys removed therefrom, other than during the process of items being added or removed by a responsible authorised person."

J.B.P. OVERSEAS AMENDMENT (C.H.) (1989)

Notwithstanding anything contained herein to the contrary it is understood and agreed that:-

- 1) In the schedule the words "Burglars and/or Thieves or persons attempting to commit burglary or theft" shall be deemed to read "Burglars, Housebreakers and/or thieves or persons attempting to commit burglary, housebreaking, theft or larceny".
- 2) Wherever the words "Burglary, Theft" appear in this policy or any endorsement attached thereto they shall be deemed to read "Burglary, Housebreaking, Theft or Larceny."

SPECIAL WAR AND RIOTS EXCLUSION CLAUSE NO. 2

Notwithstanding anything to the contrary herein contained, this Policy does not cover loss or damage, if any act of event, out of or in the course of which such loss or damage arises, constitutes or is a part of, or is committed or happened whether directly or indirectly by reason of, or on connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion, military or usurped power, martial law, riot or the act of any lawfully constituted Authority, and in any claim, and in action, suit or other proceeding to enforce a claim, for loss or damage under this Policy the burden of proving that the loss or damage does not fall within this clause shall be upon the Assured.

POLLUTION AND CONTAMINATION EXCLUSION CLAUSE
(WORLDWIDE EXCLUDING U.S.A. & CANADA)

Notwithstanding anything to the contrary contained herein, this policy does not cover loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by:

- (a) pollution or contamination which itself results from fire, lightning explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
- (b) any of the perils listed in (a) above which itself results from pollution or contamination.

"BASIS OF VALUATION (REPLACEMENT COST PRICE) CLAUSE

It is declared that in the event of a loss under this policy the amount of the damages shall be determined in the following manner:

The basis of valuation in respect of the Assured's own stock is replacement cost price as at the date of the loss excluding Value Added Tax."