

JEWELLER'S BLOCK POLICY

The policy will be referred to hereinafter as this certificate.

Certificate no. _____

In witness whereof this certificate has been signed at Tel-Aviv.

This _____ Day of _____

WHEREAS "the Assured" named in the schedule hereto has made to the Clal Insurance Co. Ltd. a written proposal and declaration (bearing the date stated herein) which proposal and declaration, together with particulars and statements contained therein, it is hereby agreed is the basis of the contract and is to be considered as incorporated herein, and has paid or agreed to pay the Premium stated herein to Us who have hereunto subscribed our Names to insure him of them for Loss of or Damage to the property insured during the period and whilst within the limits specified herein and in the schedule.

NOW THIS CERTIFICATE WITNESSES that, if at any time during the said period the property insured or any part thereof shall be lost or damaged by any peril insured against as set forth herein. The Clal Insurance Co. Ltd. will, to the extent and in the manner hereinafter provided, indemnify the Assured in respect of such Loss or Damage not exceeding the respective sum or sums Insured as specified herein.

THE PROPERTY INSURED AND THE PERILS INSURED AGAINST

(1) (a) Definition of Insured property (Independent Assured)

Stock including other peoples goods, including jewellery, diamonds, precious and semi-precious stones of any sort or kind whatsoever, platinum, gold, silver, or silver plate or ornaments, pearls and/or other merchandise and materials usual to the conduct of Assureds business, whether the same be the property of the Assured or entrusted to him or them on sale or return or on approbation or for work to be done thereon or for safe custody and for any other purpose whatsoever, and other interests incidental to Assureds business.

Cash and Banknote are also covered herein, up to the limit as specified in the schedule.

(b) Definition of Insured property (Broker)

On stock of Diamonds, precious and semi-precious stones, entrusted to the Assured as a Diamond Broker.

(c) Definition of Insured property (Contractor)

ON STOCK of other peoples goods including jewellery, diamonds, precious and semi-precious stones of any sort or kind whatsoever, platinum, gold, silver, gold or silver ornaments or plate, pearls and/or othe merchandise and materials usual to the conduct of Assureds business entrusted to him or them for work to be done thereon.

(2) Situation of property insured

While the same is in or upon any premises or location whatsoever as listed in the schedule or being carried or in transit by land or water or air within the Territorial Limits.

(3) The perils insured -property

AGAINST LOSS OR DAMAGE TO THE PROPERTY INSURED OR ANY PART THEREOF FROM ANY CAUSE WHATSOEVER, during the period of this certificate (subject to the terms, conditions and limitations of this certificate and schedule.).

IT IS HEREBY NOTED AND AGREED without diminishing the force of the words against loss or damage arising from any cause whatsoever contained in this certificate, that this insurance covers loss or damage of the property insured by theft or dishonesty committed by officer, clerk or servant of banks (provided such banks are not acting as Brokers or Customers of the Assured) whilst such property insured is in custody of such banks for aaccount of the Assured.

(4) General Definitions

The words appearing in the certificate and in the schedule will have the following meaning:

(a) Territorial limits -the territorial limits of the State of Israel and the adjacent territories.

(b) D.E.B. complex -The building known as Shimshon

Building - Diamond Exchange Building. The building known as Maccabee Building and the direct passageway through the bridge connecting Maccabee building and the Diamond Exchange Building. The building known as Noam Building (Diamond Center) and the direct passageway between them. The building known as The Diamond Tower and the direct passageway between them.

(c) Bank and Safe Deposits vaults -property deposited for safe keeping or custody with either Banks or safe deposit vault companies.

(d) Entrustment- property insured handed over by the Assured to any other third party, or to the Assured by any third party in the usual course of the Assured's business.

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- (e) Premises- one or more location from which the Assured's business is carried on subject to limitation per location as appearing in the Schedule.
- (f) Carrying -while carried in the ordinary course of the assured's business, outside the assured's premises by his employees or others with the knowledge of the Assured.

(5) **Fixtures and Fittings**

Trade and office furniture, fixtures, fittings, machinery plant, safes, alarm systems, tenants decorations and improvements and all other contents the property of the assured, (excluding only property as defined hereabove) against loss or damage by fire, lightning, explosion air craft or other aerial devices or articles dropped therefrom, burglary theft or any attempt thereat, storm, tempest, flood, bursting or overflowing or leakage of water pipes or apparatus, or impact by any road vehicle, horse or cattle not belonging to or under control of the assured or any member of the assureds' household or the assureds' employees (subject to the terms, conditions and limitations of this certificate).

The fixtures and fitting insured by this items is covered only whilst in the assureds premises specified above and excludes the first \$250.- of each and every loss in respect of storm, tempest, flood or bursting or overflowing or leakage of water pipes or apparatus.

Definitions

The words water pipes and apparatus as used herein mean water pipes, water mains, water tanks or water apparatus excluding:

- I. Automatic sprinklers installations and drenchers and
- II. Boilers other than domestic boilers

The premises at which the assureds business is carried on and/or landlords fixtures and fittings thereof the assureds own or for which the assured is legally responsible as tenant against damage done by burglars and/or thieves or person attempting to commit burglary or theft (subject to the terms, conditons and limitations of this certificate).

(6) **Sending**

This Certificate includes sendings in Israel only, but does not insure postal sendings to or from places outside Israel, while such sendings are in custody of Postal Authorities in Israel, except for any excess beyond the amount which would have been payable under any other Policy or Policies had this insurance not been effected. Limit of anyone sending: same as carrying limitation byone person as stated in the Schedule of this certificate.

(7) **Goods In Customs**

Agreed to cover goods in customs for a few day irrespective of terms of sale until handed over to purchaser by customs or otherwise.

(8) **Average**

Notwithstanding anything stated to the contrary in this certificate, it is hereby declared that this Insurance is not subject to Average.

EXCLUSIONS**This certificate does not cover:**

1. Loss or damage by theft or dishonesty or deception committed by any servant or traveller or messenger in the exclusive employment of the Assured or by any customer or broker or broker's customers in respect of property insured, entrusted or deposited for safe custody to them by the Assured, his or their servants or agents.
2. Loss or damage to property insured which may be sustained whilst the same is being actually worked upon and directly resulting there from.
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 exception applies only to risks on land).
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 this Insurance.
5. Loss of or damage to property insured whilst the same is being worn or used by the Assured, any Principal, Director or Partner of the Assured, members of their families, relatives or friends or whilst in their custody for this purpose.
6. Loss of or damage to property insured whilst at any Public Exhibition promoted or 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 or damage to goods transported by or intended for transport by Post, Rail, Air, Armored Car Service or Courier Service, from the time that such goods leave the Senders premises en route to the Post, Rail or Forwarding office.
9. Loss or damage to goods entrusted to the Assured by private clients and/or customers solely for safe custody.
10. Loss of or damage to property occurring through the operation of a peril, against which, at the date of happening of such loss or damage, the Assured has effected separate insurance irrespective of whether or not such insurance is liable to or does meet such loss.
11. Loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
12. In respect of F.F&F only, the value of the cost of reconstructing computer system software or data.

13. Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause (NMA 1622).

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from -

- A. Ionising 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.

14. War and Civil War Exclusion Clause (NMA464):

Notwithstanding anything to the contrary contained herein this Policy does not cover 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 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.

- 15. Loss or damage caused by acts of terrorism and/or people acting for a political motives or damage directly or indirectly caused by or resulting from delay, loss of market, loss of use or consequential loss.
- 16. Loss or damage directly or indirectly caused by or resulting from wear and tear, gradual deterioration, inherent vice, latent defect, corrosion, rust, dampness, of atmosphere, freezing or extremes of temperature, moth, vermin, insects, animals or insufficient of defective packing.
- 17. Loss of or damage to contraband or stolen property.
- 18. Mysterious disappearance of cash.

WARRANTIES

1. It is expressly understood and agreed that Clal Insurance Co. Ltd. will not be liable for any loss or damage to the property insured If such loss or damage is the direct or indirect result of or has been contributed to by or aggravated by the Assureds' failure:

To implement any safety precautions and/ or recommendations contained in the Survey Report issued by an approved surveyor, or contained in Clal Insurance Co. Ltd. instructions within on month of the receipt of such report or Instructions by the assured or within any longer period which may be agreed to in writing by the Producing Broker.

2. It is further understood and agreed that such protections and/or safeguards as may be referred to in the written proposal and declaration or in the survey report, as being in force shall not be withdrawn or varied to the detriment of the interests of Clal Insurance Co. Ltd. without their consent.

3. It is a condition of Clal Insurance Co. Ltd. liability under this certificate 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 Clal Insurance Co. Ltd. that, in the event of any occurrence likely to result in a claim, immediate notice must be given to the office of Clal Insurance Co. Ltd.

5. It is warranted that the property insured as defined will be locked at night and at all other times, when the premises are not open for business, in the safes stipulated in the schedule.

CONDITIONS

1. It is understood and agreed that the Assured shall keep proper Stock and Account Books in which all sales and purchases and other transactions are recorded, and that such Books shall be available for inspection by Clal Insurance Co. Ltd. or their representatives in case of a claim being made under this certificate.

2. The Assured shall in case of Loss or Damage as a condition precedent to any right of indemnification in respect thereof give to Clal Insurance Co. Ltd. such information and evidence as to the property lost or damaged and the circumstances of the loss or damage as Clal Insurance Co. Ltd. may reasonably require and as may be in the Assured power.

3. If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this certificate shall become void and all claims hereunder shall be forfeited.

4. In case of any loss or damage of any kind whatsoever it shall be lawful for the Assured to sue, labour and travel in and about the defence safeguard and recovery of the aforesaid subject matter of this insurance or any part thereof without prejudice to this insurance or waiver of the Assureds or Clal insurance Co. Ltd. rights.

5. This certificate may be cancelled at any time at the request of the Assured in writing to the producing broker, and the premium hereon shall be adjusted on the basis of Clal Insurance Co. Ltd. receiving or retaining the customary short term premium. This certificate may also be cancelled by or on behalf of Clal Insurance Co. Ltd. by thirty days notice given in writing to the Assured at his last known address, and the premium hereon shall be adjusted on the basis of Clal Insurance Co. Ltd. receiving or retaining pro rata premium.

6. All salvage, recoveries and payments recovered or received subsequent to a Loss settlement under this certificate or prior to such settlement without Clal Insurance Co. Ltd. knowledge by the Assured, shall be applied as if recovered or received prior to the said settlement and will be reduced from Clal Insurance Co. Ltd. liability.

In case the Insured loss has already been paid by Clal Insurance Co. Ltd., the Assured will repay Clal Insurance Co. Ltd. within 14 days from the date of each such recoveries.

7. Patrol Clause

It is hereby noted and agreed that the Assured has undertaken to subscribe to a petrol service as defined and recognised by the insurers, WARRANTED that the Assured has further undertaken to notify insurers On any substantial change in the nature of its activities to this subscription to such patrol service.

8. Reinstatement Clause

Upon discovery of any loss under this Certificate a further premium, based on the amount that such loss bears to the total amount of this Certificate, and calculated pro-rata for the unexpired period of this Certificate shall be payable by the Assured and even although the further premium may not meanwhile have been actually paid, this Certificate shall be treated as reinstated so as to continue as a Certificate in the amount stated in the Schedule.

9. Extensions

1. Subject to Riot strikes and Malicious damage Extension clause No.1 overseas (NMA 1425) attached herewith.

**RIOTS; STRIKES & MALICIOUS DAMAGE EXTENSION CLAUSE NO.1
(OVERSEAS)
(AVERAGE CONDITON AS IN CERTIFICATE)**

(Approved by Lloyds Underwriters Non-Marine Association)

Subject otherwise to terms and conditions of this Certificate, this Certificate 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 supressing 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 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 of 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 a 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 activity of any organization the objects of which are or include the overthrowing or influencing of any de jure or de facto Government by terrorism or by any violent means.

(e) Loss or damage directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination 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 the 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 Certificate which is already subject to any condition or conditions of average for fire or other hazards insured by this Certificate 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 Clal Insurance Co. Ltd. take all steps that may be necessary to protect the interests of the Clal Insurance Co. Ltd.
5. There shall be no canceling of this extension and no return of premium shall be paid in respect thereof for short interest.