



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

RISK DETAILS.

**UNIQUE MARKET
REFERENCE:**

B0713SPRGL1400871

TYPE:

General Third Party and Employers' Liability Insurance

PROPOSAL FORM:

Signed and dated: 11th August, 2014 (as attached)

INSURED:

Derech Eretz Ltd

**PRINCIPAL
ADDRESS:**

As per Proposal Form attached

PERIOD:

From: 1st August 2014

To: 31st July 2015

Both days at 00:01 hours Local Standard Time at the address of
the Insured

INTEREST:

In respect of the Insured's operations

**BUSINESS
DESCRIPTION:**

Security firm

Handwritten signature and date: 21/8/14



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B0713SPRGL1400871

LIMIT OF LIABILITY:

Employers' Liability

USD 5,750,000 any one claimant and USD 5,750,000 any one event and in the aggregate

Third Party Liability

USD 5,750,000 any one claim or series of claims arising from one occurrence and in the aggregate

Professional Liability

USD 1,150,000 any one claim or series of claims arising from one occurrence and in the aggregate

DEDUCTIBLE:

USD 15,000 each and every claim including costs and expenses
USD 25,000 in respect of armed guards each and every claim including costs and expenses

SITUATION:

Israel

TERRITORIAL LIMITS:

Worldwide excluding United States of America / Canada

CONDITIONS:

- All as per Policy attached except as updated by Risk hereon
- Professional Liability Retroactive Date: 1st August, 2014
 - It is agreed that the Policy shall not provide cover in respect of security activity of construction sites, heavy equipment, bars and clubs. The Policy shall not cover any activity as bodyguards, call centre services, airports and sea ports
 - All company activity is carried out by trained employees
 - The Policy shall cover only the direct business of the Insured and not any activity via subcontractors unless it has been confirmed by the Carrier
 - The Insured has a valid business licence in force
 - Each employee holds a valid licence to use weapons
 - Valid weapon storage licences in force
 - Every employee passing medical tests to prove he is in good health condition
 - The Insured has and keeps a valid honesty certificate from the police for every employee
 - Extended Reporting Period Endorsement as attached

2/18/14



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

- Excluding Workers' Compensation, Professional/Occupational Disease/Illness
- Excluding Failure to guard
- Excluding Terrorism as per wording attached
- Excluding Asbestos as per wording attached
- Excluding Pure Financial Loss

CHOICE OF LAW & JURISDICTION:

In the event of a dispute this insurance shall be governed by and construed in accordance with the law of Israel and each party agrees to submit to the exclusive jurisdiction of the Israeli courts

PREMIUM:

Employers' Liability

USD 5,000

Third Party Liability & Professional Indemnity

USD 12,500

PAYMENT TERMS:

LSW 3000 - Premium Payment Clause (60 days) as attached

TAXES PAYABLE BY INSURED AND ADMINISTERED BY INSURERS:

None applicable

TAXES PAYABLE BY INSURERS AND ADMINISTERED BY INSURED OR THEIR AGENT:

None applicable

INSURER CONTRACT DOCUMENTATION:

This document details the contract terms entered into by the insurer(s) and constitutes the contract document

[Handwritten signature]
21/8/14.
3



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871


EXTENDED REPORTING PERIOD
Applicable to Claims Made Policy Sections

In the event of the Carrier refusing to renew this Policy for any reason other than non-payment of the premium or non-compliance with the terms and conditions of this Policy the Insured shall have the right:

- a. to report claims under this Policy for a further period of 6 months immediately following the expiry of the Period of Insurance arising out of an occurrence on or after the applicable Retroactive Date but prior to the expiry of the Period of Insurance.
- b. where a valid claim has been brought during the Period of Insurance to report further claims arising out of the same original cause for a further period of 6 months immediately following the expiry of the Period of Insurance

Provided that

1. this Extension does not apply if this Policy is replaced by another Policy with another insurer on the same Claims Made basis
2. The Carrier's total liability for the Period of Insurance and the 6 month Extended Reporting Period combined shall not exceed the Limit of Indemnity
3. any amendment to the terms exceptions and conditions of this Policy shall not constitute a refusal to renew by the Carrier

 2/18/14



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

PREMIUM PAYMENT CLAUSE

The Insured undertakes that premium will be paid in full to Insurers within 90 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Insurers by the 90th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Insurers shall have the right to cancel this policy by notifying the Insured via the broker in writing. In the event of cancellation, premium is due to Insurers on a pro rata basis for the period that Insurers are on risk but the full policy premium shall be payable to Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.


It is agreed that Insurers shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Insurer (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Insurers participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Insurers will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01
LSW 3000.

 21/8/14
5



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

INFORMATION.

As held on file by Lockton Companies, LLP seen and noted by Underwriters

No Claims Declaration as attached

 2/18/14
6



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

SECURITY DETAILS.

INSURER'S LIABILITY: LMA3333

Insurer's Liability Several Not Joint

The liability of an Insurer under this contract is several and not joint with other Insurers party to this contract. An Insurer is liable only for the proportion of liability it has underwritten. An Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer. Nor is an Insurer otherwise responsible for any liability of any other Insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an Insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other Insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of Liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be

21/8/14



Policy Number

SPRGL1400871

Insured / Account

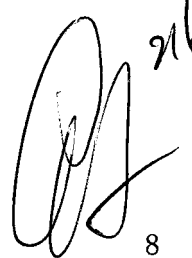
Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

appended to this contract to show the definitive proportion of liability under this contract underwritten by each Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

 21/5/14
8



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

ORDER HEREON: 100% of 100%

BASIS OF WRITTEN LINES: Percentage of Whole.

SIGNING PROVISIONS: **With Disproportionate Signing.**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the Insured may elect for the disproportionate signing of Insurers' lines, without further specific agreement of Insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those Insurers;
- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the Insured and all Insurers whose lines are to be varied. The variation to the contracts will take effect only when all such Insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.


9



Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

SIGNED LINES:

WRITTEN LINES:

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those to which others subsequently achieve during the placement.

QBE Casualty
Syndicate 386

DCH
386

552

1	4	I	L	2	9	2	2	7	6	P	A
I	A	S	Q	A	G	I	N	6	4	A	Z

21/8/14

QBE Syndicate 1886

QBE
1886

452

1	4	I	L	2	9	2	2	7	7	Q	A
I	A	S	Q	A	G	I	N	6	4	A	Z

Syndicate 1886 is part of Syndicate 2999

21/8/14

No claims / circumstances declaration

Name Of Company Or Practice: Derech Eretz Ltd

I / we hereby confirm that after enquiry, I/We are not aware of any claim or claims, or circumstances that may give rise to a claim or claims and there is no change in the material information provided in our proposal form dated 11/08/2014.

Signed:

Dated:

14-08-14

UAG: 2015/08/14
LLENCA COMU DE. 14

Order noted on 15/8/14, via email.
A 21/8/14

A 21/8/14

1/5

Proposal Form For Security Companies By Lloyds Underwriters

הצעה לכיסוח חברות שמירה ואבטחה באמצעות חתמי לוידיס

1. NAME(S) OF COMPANIES TO BE INSURED (THE PROPOSER): (שם החברה לכיסוח (פירסי והגפיק) (Refer Information Note 1 attached)

Item	Name (שם החברה)	Company Registration (פ.ת.)	Telephone (טלפון)	Fax (פקס)
	DERECH ERETZ	512431107	77288122 & 28	9728812687

Email Address:

2. Requested period of insurance (תקופת כיסוח מבוקשת)

Starting Date (תאריך התחלה): 10/08/2014 Expiring Date (סיום): 31/08/2015

3. DATE OF COMMENCEMENT OF OPERATIONS: 26-12-1996 (יום התחלת פעילות החברה): 3

4. REGISTERED ADDRESS OF HEAD OFFICE: (כתובת משרד ראשי): 4
 1 AMELAHIA STREET, ANLIDOP, 77103

5. POSTAL ADDRESS OF THE PROPOSAL: (כתובת דואר של המציע): 5

6. ANNUAL TURNOVER ACHIEVED FOR THE LAST THREE YEARS: (סכומי שנת בשלוש השנים האחרונות): 6

Year - שנה	Period - תקופה	Turnover - עסקי
1	2011	NIS 4,119,856
2	2012	NIS 5,243,447
3	2013	NIS 5,493,943

7. ESTIMATED TURNOVER FORTHCOMING TWELVE MONTHS: (סכומי שנת לשנה הקרובה): 7

Service Contracts - סוג הערות	With Firearms - עם נשק	Without Firearms - ללא נשק
Warden Services, Access Control & Goods Dispatch (שירותי אבטחה ומסירה)	2,700,000	1,000,000
Special Event Security Services (אבטחת אירועים מיוחדים)	200,000	600,000

2/8/14



5/5

Alarm Monitoring and/or Response	שירותי מוקד ותענה / סדר		
Escort Services - Banking & Payroll Services	שירותי ליווי - בנקים		
Escort Services - Other Goods	שירותי ליווי - מוצרים אחרים		
Bodyguards	אבטלה אישית / שמרני ראשי		
Undercover Agents	מכבים חשאיים		
Security Consultancies	ייעוץ		
Training Centers	מרכזי אבטלה ואימון		
Medical Response/Ambulance Services	תגובה רפואית / שירותי אבולנס		
Supply, Installation & Maintenance of Detection, Access Control & Alarm Systems	אספקה, התקנה ותחזוקה של מכשירי אבטלה כגון: גלאים, בקרי כניסה ושערים אלקטרוניים.		
Manpower - cleaning and commercial and office jobs	כח אדם - שירותי ניקיון, שירותים מסחריים ומשרדי		
Manpower - industrial and agriculture jobs	כח אדם - עובדי תעשייה וחקלאות		
Manpower - other jobs (other activities)	כח אדם - עבודות אחרות		
Details (פרטים):			
Totals - סה"כ			

Notes:

a. Where a Turnover has been included for "Special Event Security Services", please provide full details:
אם צוין ישנם מוזר בין פעילות אבטלה מיוחדת, אנא רשום פרטים מלא:

b. Where a Turnover has been included for "Medical Response and Ambulance Services". Quotations will be provided to include the Professional Indemnity Section and the relevant Malpractice Extension.
במידה וקיים מוזר בין תגובה רפואית / שירותי אבולנס, התענה ודריש לכלול כיסוי בגין אחריות התקשורת והשלטון הרפואית הרלוונטית. אבטלה למחלה את שמי המבטלה הרפואית והשאלות הרלוונטיות בטופס 8

c. Where a Turnover has been included for the "Supply, Installation & Maintenance of Detection, Access Control & Alarm Systems", Quotations will be provided to include the Products Liability Section.
במידה וקיים מוזר בגין אספקה, התקנה ותחזוקה של מכשירי אבטלה כגון: גלאים, בקרי כניסה ומערכות אלקטרוניות, התענה ודריש לכלול כיסוי בגין אחריות המוצר הרלוונטית. אבטלה למחלה את שמי המבטלה הרפואית והשאלות הרלוונטיות בטופס 13

8. TOTAL STAFF COMPLEMENT: Please breakdown the current Staff complement into occupational/specializations:	8. תואר תולדת המובאים אנא רשום כמה את תולדת המובאים לפי סקטורים ותמחושים
Number of employees - מספר עובדים	סקטור / התמחות - occupational/specializations
20	ARMED GUARDS
30	FIRST AID
20	FIRST AID (ATTACHED & QUALIFIED) (1)

TOTAL SALARY: 2.5 million \$is

4

9. STAFF TRAINING:
 Please advise relevant training and institutions used by the Proposer for the purpose of specialist staff training:

9. הגשור עובדים אנא רשום את סוג ומקום הדגשור של העובדים	מקצוע / תחומה - occupations/specializations	סוג ומקום הדגשור - training and institutions
	מלוח אשכול - מלוח אשכול - מלוח אשכול	מאזרחי טיולים - מלוח אשכול - מלוח אשכול

Are the Staff required to undertake regular refresher training courses?
 האם העובדים נדרשים לבצע קורסי רענון?

YES כן NO לא

Where Medical Response and/or Ambulance Services are provided by the Assured, please provide details of training facilities:-
 בפידור והחברה נותנת שירותי תגובה רפואית / שירותי אמבולנס, אנא רשום את סוגי ומקום הכשרה.

Item	Institution/Facility - סוג ומקום הדגשור
1	
2	
3	

10. INDEMNITY LIMITS REQUIRED:
 גבול אחריות מכוסה

	Per claim: (לכריעה)	Per period: (לתקופה)
Third Party Liability אחריות על צד שלישי	NIS 5,000,000	
Professional Indemnity אחריות מקצועית	NIS 4,000,000	
Employers Liability חבות מעבידים	NIS 20,000,000	

RETROACTIVE DATE (תאריך רטרואקטיבי): _____

11. OPTIONAL EXTENSIONS:
 הרחבות אופציונליות

a. Firearms Extension - נשק

Is cover required for this Extension? YES <input checked="" type="checkbox"/> כן NO <input type="checkbox"/> לא	Per claim: _____ ; לתקופה: _____
Per period: _____ ; לתקופה: _____	

Where Armed Security Services are provided by the Proposer, please confirm what training of Security Personnel is undertaken and level of experience is required by the Assured for this Purpose:-
 במקרה והחברה נותנת שירותי מאבטחים חמושים, אנא רשום את מרשי ומקום הדגשורם.

Item	Institution/Facility - סוג ומקום הדגשור
1	מלוח אשכול
2	
3	

b. Fidelity Risk Extension – נאמנות עובדים	Is cover required for this Extension? YES <input checked="" type="checkbox"/> כן NO <input type="checkbox"/> לא	
Indemnity Limits Required (Note: These Limits cannot exceed the Indemnity Limits under Question 9 above) גבול אחריות מבוקש (לא יותר מגבולות האחריות המצוינים בסעיף 9)	Per claim: _____ : לתביעה	
	Per period: _____ : לתקופה	
Please advise on selection criteria for new employees: אנא פרט קריטריונים ואופן גיוס עובדים:		
If cover is required for this Extension, and in order to provide an equitable Premium for the Risk, please indicate an approximate percentage split in your current Contracts, based on allocation of Security Personnel, into the following Categories: במידה ונדרשת ההרחבה הנ"ל, אנא רשום את חלוקת העובדים לפי הקטגוריות הבאות:		
Category	%	
Jewellers, Banks, Mines, Computers and other Electronic Goods Manufacturers and Suppliers יהלומים, בנקים, מכרות, יצרנים וספקים של מחשבים ומצרי אלקטרוניקה		
Motor Vehicle Manufacturers and Suppliers יצרנים וספקים של כלי רכב		
Shopping Centers and Office Premises מרכזי מכירות ומשרדים		
Other Industrial Premises מקומות תעשייתיים אחרים		
Domestic Accommodation, including Residential Estates בתי מגורים ומבני מגורים		

c. Money-In-Transit Extension (כספים בהעברה) (Please supply copy of standard contract)	Is cover required for this Extension? YES <input type="checkbox"/> כן NO <input checked="" type="checkbox"/> לא	
Indemnity Limits Required (Note: These Limits cannot exceed the Indemnity Limits under Question 9 above) גבול אחריות מבוקש (לא יותר מגבולות האחריות המצוינים בסעיף 9)	Per claim: _____ : לתביעה	
	Per period: _____ : לתקופה	
Please tick that which is applicable		
Do you merely provide an escort to your Clients? האם אתם מספקים רק שירותי ליווי ללקוחותיך?	YES - כן	NO - לא
Do you transport the Money in your own vehicles? האם אתם משתמשים ברכבים שלך לצורך העברת הכסף?	YES - כן	NO - לא
If the answer is "Yes", do you use specialized vehicles? אם כן, האם אתם משתמשים ברכבים מיוחדים?	YES - כן	NO - לא
Do you transport Money on behalf of more than one client at any one time? האם אתם מעבירים כספים עבור יותר מלקוח אחד באותו הזמן?	YES - כן	NO - לא
What is the maximum "Pavement" exposure at any one time? מה הסכום המקסימלי להובלה?		
What is the maximum "Vehicle" exposure at any one time? מה הסכום המקסימלי לרכב אחד?		

12. PRODUCTS LIABILITY – אחריות המוצר		
Where the Proposer Supplies, Installs or Maintains Detection, Access Control or Alarm Systems, by inclusion of a Turnover in Q6 above, the following must be completed: אם נכלל במחזור הפעילות של החברה אספקה, התקנה ותחזוקה של מכשור אבטחה כגון: גלאים, בקרי כניסה ומערכות אזעקה, אנא ענה על כל השאלות מטה		
Are Components to the Systems manufactured or assembled by the Proposer? האם קיימים רכיבים שמורכבים או מיוצרים ע"י החברה?	YES – כן	NO – לא
If "Yes", where such Products are manufactured/assembled by the Proposer under Licence, please provide copies of the Licence Agreements and specify the Products. אם כן, איפה מיוצרים או מורכבים המוצרים, אנא צרף רישיונות, הסכמים ופירוט של המוצרים.		
Are the Components to the Systems manufactured by others? האם הרכיבים מיוצרים ע"י מישהו אחר?	YES - כן	NO - לא
If "Yes", are full recourse rights retained? אם כן, האם קיימת זכות השיבוב כלפי היצרן?	YES - כן	NO - לא

Where such Products are manufactured/assembled by others under Licence from the Proposer, please provide copies of the Licence Agreements and specify the Products.
 איפה מיוצרים או מורכבים המוצרים, אנא צרף רישיונות, הסכמים ופירוט של המוצרים.

Does the Proposer design any of the Systems, or Components thereof? האם החברה מעצבת את המערכות או הרכיבים?	YES - כן	NO - לא
If "Yes", does the Proposer operate a Research and Development Department? אם כן, האם יש לחברה מחלקת מחקר ופיתוח?	YES - כן	NO - לא

If "Yes", please provide relevant details and qualifications of all personnel.
אם כן, אנא רשום פרטים נוספים וציין הסמכות של העובדים.

Please refer to Note 6 of the Information and provide details below of all Products manufactured, assembled, sold, supplied, serviced, treated or altered by the Proposer, together with Anticipated Failure Rate* and Estimated Turnover for the forthcoming twelve months.
אנא שימו לב לרשום בסעיף 6 בדפי המידע המצורפים, ומלאו את הטבלאות מטה

Table 1- Products designed & manufactured by the Proposer:
טבלה 1 – מוצרים אשר מעצבים ומיוצרים ע"י החברה

Description of Product תאור המוצרים	Anticipated Failure Rate	Estimated Annual Turnover מחזור שנתי משוער

Table 2- Products manufactured/assembled by the Proposer - no design:
טבלה 2 – מוצרים אשר מיוצרים / מורכבים ע"י החברה – ללא עיצובם

Description of Product תאור המוצרים	Anticipated Failure Rate	Estimated Annual Turnover מחזור שנתי משוער

Table 3 - Products sold, supplied or distributed by the Proposer - no design or manufacture/assembly:
טבלה 3 – מוצרים אשר נמכרים, מסופקים או מופצים ע"י החברה – לא מיוצרים/מורכבים ולא מעוצבים על ידה

Description of Product תאור המוצרים	Anticipated Failure Rate	Estimated Annual Turnover מחזור שנתי משוער

If any new Products, which are not included above, are contemplated by the Proposer during the next twelve months, please provide details below and advise which category of Tables 1, 2 or 3 above applies.
אם יש מוצרים חדשים אשר נשקלת האפשרות לייצרם ב-12 החודשים הקרובים ואינם מופיעים בטבלאות מעלה, אנא רשמו אותם מטה וציינו לאיזו טבלה הינם שייכים.

Description of Product תאור המוצרים	Category	Estimated Annual Turnover מחזור שנתי משוער

If the Proposer exports any Products, please provide details below. "Representation" in the Country concerned means Branch, Subsidiary Company, Agency, etc..
אם החברה מיצאת מוצרים, אנא רשמו מטה וציינו האם החברה מיוצגת במדינה אליה מיוצא המוצר ע"י סניף, זכיון, קבלן משנה, סוכנות וכדומה...

Description of Product תאור המוצרים	Country of Destination מדינת יעד	Representation נציגות החברה	Estimated Annual Turnover מחזור שנתי משוער

3

1

13. PREVIOUS INSURANCES:
 מידע ביטוח קודם

a. Has the Proposer previously been insured? האם היית או נזר ביטוח?	YES - כן	NO - לא
b. Name of previous Insurer (if applicable): שם המבטח הקודם	85 > 10	
c. Has any Proposal for insurance been declined? האם נדחתה הצעה שלך לביטוח?	YES - כן	NO - לא
d. Has any previous Insurer required increased Premiums or terms? האם מבטח קודם שלך דרש פרמיה מוגדלת או שיתר בתנאים?	YES - כן	NO - לא
e. Has any previous Insurer required special restrictions or Conditions? האם מבטח קודם שלך דרש הגבלות או תנאים מיוחדים?	YES - כן	NO - לא
f. Has any previous Insurer terminated or refused to renew any insurance? האם מבטח קודם שלך ביטל לך את הפוליסה או לא התאים להחליף?	YES - כן	NO - לא
g. If any answer to questions (c) to (f) is "Yes", please provide full details: אם אזור התשובות לשאלות c-d הוא לא, אלא כן:		

2

14. CLAIMS DETAILS:
 מידע תביעות

a. Please provide details of all claims made against the Proposer, whether or not insured, over the past five years:
 אלא פרט את כל התביעות שהיו כנגדו והייתה בהן פוליסה או ללא פוליסה במסגרת 5 שנים אחרונות.

b. Is the Proposer aware, after enquiry, of any circumstances which may subsequently give rise to a claim or claims being made against them, whether or not insured?
 האם ידוע על הבעיה או אירוע או נסיבות בלתי אסר יכולות להוביל לתביעה, גם אם לא היה ביטוח?

YES - כן NO - לא

If the answer to this Question is "Yes", please provide full details: past five years:
 אם כן, אלא פרט פרטים מלאים: 5 שנים אחרונות:

15. CONTRACT CONDITIONS
 Refer Information Note 6 (e) attached. This sets out Underwriters minimum requirements with regards to the Standard Conditions of Contract. Where those Standard Conditions used by the Proposer do not comply, these should be referred to the Proposer's legal advisers for amendment.
 Please attached a specimen copy of the Proposer's Standard Conditions of Contract for record purposes.

3

16. DECLARATION AND SIGNATURE
 The answers given above and in the attached Sections represent the true position to the best of my knowledge and belief and I agree that they shall form the basis of the contract of insurance proposed, should such contract be effected.

Date: 11-08-14

For and on behalf of the Proposer
 Name of Authorized Signatory: Shouraki Emanuel

Position held: CEO

Signed: _____

Derech Erez Ltd
 Security advising & Protection
 Tel: +972-8 8522828
 http://www.bodyguard.co.il

21/8/14

Third Party Liability Insurance Policy
(BIT 2011 Shekel Edition)

Whereas, the insured, whose name, address and vocation are detailed in the list and/or the specifications (hereinafter: the "List") contacted:

X Insurance Company (hereinafter – "The Carrier")

With a request to issue the insurance detailed in this policy,

And whereas the Carrier agreed to issue the aforementioned insurance, in return for the Insured's undertaking to pay the insurance premium noted in the List,

Therefore it is hereby agreed and stipulated, that Carrier undertakes to indemnify the Insured for sums the Insured will have to pay a third party for compensation under the law, as the result of an insurance event as defined below, caused during the insurance period noted in the List, subject to all of the conditions included within and/or which are added with the consent of the parties.

Limits of Liability:

The Carrier liability will not exceed:

- A. The sum detailed in the list as the limit of the liability;**
- B. The sum detailed in the list as the limit of all of the compensation for damages that occur during the insurance period.**

Expenses

Carrier will indemnify the Insured for reasonable court expenses that the Insured incurs due to his liability, even beyond the limits of the liability in the policy.

This policy is issued by Carrier on the basis of an insurance proposal and/or any other document and/or information that were submitted to the Carrier and which serves as a basis for and an integral part of this policy.

Handwritten signature and date: 2/18/14

Definitions

For the purposes of this policy:

- Insurance event:** An unexpected event that causes:
1. Bodily damage, death, illness, mental, emotional or physical handicap.
2. Damages and/or loss to the property of a third party.
- Damages:** An insurance event or a series of insurance events that are derived from one source or from one originating cause.
- Law:** The laws of the State of Israel.
- Policy:** Including the List, the insurance quote and any annex or addition to the policy as will be appended to it.
- Deductible:** The sum that the Insured will incur from the amount of the indemnification and the expenses that will be paid by the Carrier as the result of an insurance event covered by this policy -- for each insurance event individually.

Additionally, the sum of the deductible will apply with regard to outside expenses paid by the Carrier during the processing of the claim and/or request for compensation and/or notification of any event that could lead to a claim even if no compensation is paid for them.

Limits of the Carrier Liability

It is hereby stipulated – unless otherwise agreed in writing – that this policy does not cover the insured for or in relation to:

1. A. Liability for damages to the employees of the Insured that occur during and/or as a result of their work at the Insured.
- B. National Insurance Institute claims regarding an employee for whom it is incumbent on the Insured to pay National Insurance allocations to the National Insurance Institute and/or to report to the National Insurance Institute and he failed to do so.
2. A. A liability that by law must be insured for motor vehicles and/or any other liability that must be insured, including bodies and institutions that are exempt from insurance under the Motor Vehicle Insurance Ordinance.
- B. A liability that results from the use of a motor vehicle, for damages to a third party.
- C. Any liability that can be incurred as a result of use of a train, aircraft or motorized sea vessels.

3. Any liability at all, that could apply to the Insured and results from:

- A. Products that are produced, sold, supplied, repaired, handled, assembled or marketed by the Insured or in relation to the Insured, or anyone in its service, after those products left the direct control of the Insured.
 - B. The professional liability of the Insured and/or any individual in his service for consulting and/or planning and/or supervisory services, given to a third party within the framework of the profession and/or vocation of the Insured as well as his professional liability for medical and para-medical services (with the exclusion of the Insured's liability if he is not a provider of medical services, that results from medical treatment given and/or ordered by him, constituting first aid in time of an emergency).
 - C. Any liability for air pollution or water pollution or ground contamination, outside of the Insured's premises, however excluding contamination that is the result of a sudden and unexpected event.
4. Damage caused to property in the possession of and/or held by and/or supervised and or controlled and or being watched by the Insured which can be covered by the Insured's property insurance policy. This exception will not apply to any residual damage.
5. Damage to the part of the property, in which the Insured or anyone in his service is working or worked at the time of the insurance event, on the condition that the damage was caused directly by the aforementioned action.
6. A commitment or obligation that the Insured takes upon itself by contract, unless an obligation or responsibility of this nature was incumbent on the Insured even in the absence of this agreement.
7. Any liability for one of the following reasons or their contributions or is derived from them whether directly or indirectly: Any nuclear material, ionic radiation or radioactive pollution from any nuclear fuel or nuclear waste of any kind and/or from the burning of any nuclear waste. With regard to this exception the meaning of the word "burning" – any process, that consumes itself, of nuclear fission.

This exception will not apply to the use of X-rays, the use of radioactive materials in research laboratories and hospitals or for the execution of non destructive testing in industry. Notwithstanding the above, work with or use of nuclear fuel is excluded.

8. Damage caused directly or indirectly, as the result of war, invasion, acts of a foreign enemy, hostile acts (whether war is declared or not), act of terrorism or sabotage, civil war, revolution, disturbances, military rule or any other unlawful governmental takeover, civil or military takeover, police state or looting, pillaging, theft related to the above, confiscation or destruction by any government or public authority.

For the purposes of this exception "terror" is defined as – the use of violence for political purposes, including the use of violence designed to cause fear in the public or any part of the public by a person or persons that are acting for or in concert with an organization hostile to the State.

With regard to "Terror" in its above definition in the borders of the State of Israel and/or the territories, only an express certification of the Israel Police or of the Ministry of Defense or of the Director of Property Tax and the compensation fund as defined in the Property Tax and Compensation Fund 1961 and all of its amendments, that certifies that the damages were caused directly by a terrorist act, will serve as cause for the rejection of a claim of damages as a result of terrorism.

9. Punitive Damages, Fines and Example Compensation.
10. Any liability that could be placed on the Insured for an insurance event that results directly or indirectly and/or is related in any way to asbestos or materials that contain asbestos in any way or quantity provided that the insurance event results from or is affected by the dangerous properties of asbestos.
11. Any liability that results from electromagnetic fields or radiation.
12. Damages caused outside of the borders of the State of Israel and the occupied territories. The borders of Israeli settlements and/or IDF positions within the "Autonomy" areas will be considered occupied territories for the purposes of this policy.
13. Damages covered or that can be covered by Officers and Directors liability insurance.
14. Financial monetary damages that are not the direct result of the physical damages to third party property which was harmed.

Expansions

1. This policy covers the Insured's liability for damages caused abroad by individuals sent on its behalf outside of the borders of Israel – subject to the laws and judiciary of Israel, with regard to this expansion, exception 12 will be changed accordingly.
2. To dispel any doubt it is hereby declared that this policy covers the Insured's liability for antennae or poles and/or signs anywhere within the borders of the State of Israel and the territories under its control.
3. Any individual who is not included on the payroll will be considered a third party for the purposes of this policy, on the condition that such person is not covered by the employer's liability insurance.
4. If the Insured's name includes more than one individual or legal entity, the coverage under the policy will apply to each of the Insured's individuals

separately (cross liability), with the exception of contractors and subcontractors, as if it was taken out only on its name, with all of its conditions and directives, being separate and independent of the existence of other insurances, however the responsibility of the Carrier to indemnify each individual insured will not exceed the boundaries of responsibility detailed in the List.

5. Notwithstanding the provisions of exception 1 above, property belonging to the employees of the Insured will be considered third party property with regard to this policy.
6. The policy is expanded to cover the Insured's liability to a third party for the actions of contractors and subcontractors.
7. The policy is expanded to cover the Insured's liability to a third party, with regard to construction works, expansion, improvement and renovations, if such works are performed for it.

To dispel any doubt it is hereby clarified that the above expansion 6 and 7 do not provide any coverage at all to contractors and/or subcontractors.

8. The employees of the Insured, their families and other invitees will be considered third parties during their participation in social and/or communal events, including sporting events organized by the Insured for the welfare of its employees and/or the community. With regard to the Insured's employees, the coverage under the provisions of this section will apply only if the event is not recognized by the National Insurance Institute as a work accident.
9. Notwithstanding the above in exception 2(b) (--), the policy is hereby expanded to cover the liability of the Insured for damages to third party property that results from the use of a motor vehicle, beyond the framework of the liability specified in the Carrier's standard policy for the insurance of motor vehicles driven on the day that the insurance event occurs or beyond the limits of liability under the policy for third party vehicle insurance other property (if they are higher) that is in the Insured's possession.

The total limit of the Carrier's liability for this expansion will not exceed the sum of ₪ 1,000,000 for damages and for the entire damage incurred during the insurance period.

To dispel any doubt, it is hereby clarified that the limits of liability in the vehicle policy, as aforementioned, serves as the amount of the Insured's deductible for damages covered by this expansion.

10. Notwithstanding the foregoing in section 1 of the definitions of "insurance event", it is declared that this policy is expanded to cover liability resulting from personal injury (independent of bodily harm and its ramifications) caused to any third party during or as a result of the Insured's activity; without derogating from the generality of the above, including liability for intrusion on private space (including infringement of privacy), defamation, insult, false arrest, as well as

liability for the good faith violation of the duty of confidentiality but not on intellectual property or sexual harassment.

The Carrier's liability for this expansion will not exceed the sum of \$ 200,000 for a single insurance event and in total for the insurance period.

11. Notwithstanding the above definition of an "insurance event" and exception 14 (financial damages) of this policy, it is hereby declared that the policy is expanded to cover the prevention of access to the property and/or property of a third party and/or any loss of use of third party property as the result of physical damages to the Insured's property and/or property in its care -- from an unexpected event.

The total limit of the Carrier's liability for this expansion will not exceed 25% of the limit of liability of the Carrier in an insurance event as defined in the List page of the policy.

12. This policy covers the vicarious liability of the Insured that results from the actions or failures of any individual or body who acts on its behalf for the Insured's business.
13. Contrary to the provisions set forth in section 3a of the exception to the Carrier liability it is hereby declared that this policy is expanded to cover the liability of the Insured for food or liquid poisoning that results from refreshments served by the Insured and/or for it.
14. The policy is expanded to cover the personal liability of any individual employed by the Insured, with the exception of contractors and sub contractors and their employees, for insurance events caused while they are serving as agents of the Insured during and as a result of their employment by the Insured.
15. The Carrier waives all rights of subrogation with regard to individuals in the service of the Insured, shareholders of the Insured, members of the board of directors of the Insured, and an individual or body in regard to whom, prior to the insurance event, the Insured undertook in writing that the insurance will cover a waiver of the right of subrogation for him.

The right of the Insured to receive indemnification under this policy will not be harmed by the fact that the Insured, prior to the insurance event, waived the right to sue any individual and/or body in writing and/or undertook in writing to indemnify him, and without that waiver or commitment the Carrier would have had the right of subrogation towards that individual or body.

However the aforementioned will not apply for the benefit of an individual who causes an insurance event intentionally.

16. A. This policy is expanded to indemnify any person or legal entity for whom the Insured committed in writing, prior to the insurance event, to insure its liability with third party liability insurance and/or to which the Insured waived the right of action and/or committed in writing to indemnify, for actions performed by that person or body for the Insured and/or by the

Insured for him and/or together with him (other than contractors or subcontractors) in respect to the business of the Insured and/or with regard to property leased by the Insured and/or property that the Insured leases to others.

- B. The right of the Insured whose name appears in the List to receive indemnification from the Carrier will precede the right of any individual or legal entity to receive indemnification under the provisions of the above.

(--)

17. The coverage under the terms of this policy shall also apply to the liability of the Insured that could result from the possession of a weapon by it or one of its employees. Provided that every holder of a weapon authorized by the Insured held at the time of the event a valid license to carry a weapon.

18. Defense in legal proceedings.

The policy is expanded to include the Insured for legal expenses during criminal proceedings in the following manner and scope:

The Carrier will place an attorney at the disposal of the Insured or any of its employees, at its own expense, for defense in criminal proceedings that may be filed against any of them following a covered insurance event that occurred during the insurance period of this policy.

Additionally, the Carrier will place an attorney at the disposal of the Insured or any of its employees, at its own expense, for the purpose of filing an appeal as well as representation until the final possible judicial level, with regard to a judgment and/or a ruling against them in the criminal process, and will also cover the costs of the appeal.

A prerequisite for the provision of an attorney, for the submission of the aforementioned appeal, will be the receipt of an opinion from the attorney who appeared in the proceedings under appeal, declaring that there is an inherent basis and good chance for the appeal's success.

Should the Insured not be interested in the services of the attorney provided by the Carrier, the Insured is entitled to contact the attorney of his choice. In this event, the Carrier will indemnify the Insured for the fees and defense expenses paid by the Insured, provided that the foregoing remains within the framework of the Carrier's liability.

The Carrier will pay the legal fees and defense fees and/or the costs of the appeal at the conclusion of the criminal proceedings or the appeal, as relevant.

Definitions with regard to this expansion:

Criminal Proceedings:

Proceedings in which a criminal investigation is opened, including a cause of death investigation and/or an indictment is filed by the State of Israel or on its behalf, against the Insured or any of its employees as the result of an insurance event under the terms of this policy.

Defense Costs (including appeal):

Attorney fees, court fees, stamp duty, copying protocols, payments to witnesses and experts as established by the court or according to the Criminal Procedure Law, that are required for defense in criminal proceedings including appealing a ruling, but not every fine, compensation or punitive payment levied under the court ruling.

Attorney's Fees:

Attorney's fees for the management of legal proceedings established in the guidelines of the Bar Association Regulations (Minimal Tariff) 5760- 2000.

Exceptions with regard to this expansion:

The Carrier will not be required to provide an attorney for legal defense or bear the payment if:

1. The proceeding or the investigation and/or the filing of an indictment are for an event that is clearly excluded from the policy.
2. The proceeding or the investigation and/or the filing of an indictment are for an event in which (whether by an act or by failure) the Insured or any of its employees acted out of intent to cause the insurance event.
3. The proceeding or the investigation and/or the filing of an indictment are against contractors and/or subcontractors of the Insured or their employees.

The limited liability of the Carrier under this expansion will not exceed US 200,000 for each event and US 400,000 for all of the events during the insurance period.

19. To dispel any doubt it is hereby clarified that unless expressly otherwise noted in the List, the limits of liability of all of the expansions are part of the general limits of liability in the policy as detailed in the List sheet and are not in addition to them.

Terms of the Policy

1. Notice of claim

The Insured must notify the Carrier, within a reasonable time from its awareness of the occurrence of an insurance event that could serve as the basis for a claim under this policy. If the Insured is a corporation, the knowledge of an aforementioned insurance event will be considered from the moment one of the Insured's managers or the individual responsible for the Insured's insurance learns of it.

2. Address for Notifications

Notices to the Insured

A notice from the Carrier to the Insured with regard to the policy will be sent to his last known address.

Notices to the Carrier

A notice from the Insured to the Carrier will be sent to the Carrier at the address of its central office, as detailed in the policy, or at any other address in Israel, for which the Carrier issues a notice (if at all) from time to time.

3. Notice of proceedings

The Insured will notify the Carrier, as soon as possible, of an indictment submitted against it or of a police investigation or of an investigation of a death or of any other investigation taking place or that will take place in the future with regard to any insurance event, for which a claim can be made under the terms of this policy. If the Insured is a corporation, knowledge by the Insured of the aforementioned cases will be considered from the moment that one of the Insured managers or the individual responsible for insurance learns of it.

4. Transferring Documents from the Insured to the Carrier

The Insured will transfer to the Carrier, immediately upon receipt thereof, any letter, subpoena, order or notification of a hearing, or any proceeding, related to a claim for damages following the occurrence of an insurance event.

5. Prohibition of Admission

No Admission, offer, promise, commitment or compensation of any kind will be made or proffered by the Insured or on its behalf, without the prior written agreement of the Carrier. The provisions of this section do not apply to the provision of details of an accident to the police or to any official body by law, upon its demand, as well as giving testimony in a criminal case.

6. Duty of care

The Insured must take reasonable measures of care in order to prevent insurance events that are covered under the terms of the policy.

7. Material Change

- A. The Insured will disclose in writing during the insurance period, any material change within a reasonable time of it becoming known to the Insured; if the Insured fails to notify the Carrier of this change, the Carrier will be entitled to cancel the policy or reduce the scope of the liability under the provisions of the law.
- B. A material issue is one for which a question was posed in the insurance proposal or appears in the written information after having been transferred to the Carrier by the Insured for the purpose of preparing the policy.

8. Processing Claims

- A. If the Carrier recognizes its liability under the terms of the policy, it may and upon the request of a third party it must pay a third party the insurance benefits that the Carrier owes the Insured provided that it notifies the Insured of such 30 days in advance and the Insured did not object during this period. However a claim that the Carrier could claim against the Insured will stand against a third party.

If the Insured objects in an unreasonable manner to the proposal of the Carrier to pay insurance benefits to a third party, the Carrier may not pay a sum higher than it would have if not for the objection of the Insured.

- B. If the Carrier recognizes its liability under the terms of the policy, it can act on its own discretion and subject to section A' above, take control and manage the defense of any claim or the settlement of any claim as well as to claim and receive, in the name of the Insured, indemnification, compensation, deductibles, damages. The Carrier will have absolute discretion with regard to the management of all proceedings or with regard to the arrangement or the settlement of any claim and the Insured must provide it with all of the information that it has and offer any aid asked of it with regard to the issues under discussion in this section. However it is agreed that the Carrier will do its utmost to act in concert with the Insured in order not to harm its good name or cause it damage.
- C. In the event that the sum of the claim exceeds the limits of the liability of the Carrier, the Carrier and the Insured will act in concert, and without derogating from the generality of the above, the Insured will be afforded the right to participate in the defense in an active role.

9. Double insurance

If liability was insured with more than one carrier for an overlapping period, the Insured will notify the Carrier within a reasonable time from when the double insurance was made, or after he was informed of it.

10. Payment of Premiums and other Monies

- A. Unless otherwise agreed between the parties the insurance premiums and the other monies due from the Insured to the Carrier will be paid in their entirety within 28 days of the commencement of the insurance period.
- B. If the premium is not paid within the aforementioned 28 days, rather on other dates that were expressly agreed upon, each payment will carry adjustments from the day of the onset of the insurance until the actual day of payment. The adjustments will be linkage adjustments between the known index on the day of the onset of the insurance and the known index on the day of actual payment plus credit costs.
- C. If the premium was not paid on the agreed upon dates, the sum in arrears will carry additional linked interest for the period in arrears at the rate established in the Awarding Interest and Linkage Law 5721 - 1961 section 1 "Adjustments for Linkage and Interest".
- D. If any sum in arrears is not paid, as stated within 15 days of written notice by the Carrier, the Carrier is entitled to notify the Insured in writing, that the insurance will be cancelled in an additional 21 days if the sum in arrears is not paid before then and if there is a named beneficiary that is not the Insured, and the designation is irrevocable, the Carrier may cancel the insurance, if it notifies the beneficiary in writing of the aforementioned default in payment, and the beneficiary fails to pay the sum in arrears within 15 days of receiving the aforementioned notice.
- E. The cancellation of the insurance under the provisions of this section does not derogate from the Insured's obligation to pay the sum in arrears, which applies to the period prior to the aforementioned cancellation, as well as the Carrier's costs.

11. Linkage

- A. The limits of liability in the policy will be linked according to the ratio between the consumer price index published prior to the onset of the insurance period and the consumer price index published prior to the payment of a claim. The deductible fee quoted in shekels will be in accordance with the ratio between the aforementioned index, published adjacent to the onset of the insurance period and the index that will be published adjacent to the payment of the deductible.

- B. The linkage of the insurance sums to the expansions detailed in the body of the policy.

It is hereby agreed that since the policy is shekel based, in any place in the body of the policy (however not on the List page and/or in the specifications of the policy, where the sums are linked to the index known on the date the current policy commenced) where a shekel insurance sum is noted it is linked to the consumer price index known on 1/1/2009.

12. The Right to Deduct

The Carrier is entitled to deduct any sum owed to the Carrier by the Insured from compensation due to the Insured in the event of an insurance event, whether the debt relates to this policy or to any other.

13. Extension of the Insurance Period

Any extension of the insurance period according to the policy requires the written consent of the Carrier given expressly for this purpose.

14. Cancellation of Insurance

- A. Without derogating from the rights of the Carrier by law or under any other provision in this policy, the Carrier is entitled to cancel the insurance at any time, prior to the end of the insurance period, at its discretion, provided that it sends the Insured written notice by registered mail, at least 60 days prior to the date of cancellation, and in this instance the Insured will be entitled to a refund of insurance premiums paid to the Carrier for the period following the cancellation.

- B. The Insured is entitled to cancel the insurance at any time prior to the end of the insurance period, at its discretion, provided that notice is sent by registered mail 21 days prior to the date the insurance will be cancelled. Notwithstanding the above, in the event that the Insured requires the Carrier to sign insurance certifications in which there is a commitment to cancel the insurance only following notice to the commitment's recipient, the policy will be cancelled only following the end of the period specified in the certification.

In a cancellation at the request of the Insured the Carrier will retain the insurance premiums customary for it for the short period during which the insurance was in effect (i.e. 10% of the annual premium for each month or a part thereof and an additional 10% general charge).

- C. If the Carrier cancels the insurance before the designated insurance period, and the cause for the cancellation is not due to a breach of the contract by the Insured or that the Insured tried to defraud the Carrier, the Carrier will pay the Insured the sum it would have demanded from a similar insured person for the same kind of insurance, on the date of the cancellation,

relative to the period remaining until the end of the agreed upon insurance period.

15. The Policy's Primary Beneficiary

In the event that a number of different parties are insured by the policy and a primary beneficiary is established, said beneficiary will manage all negotiations with the Carrier on behalf of the other policy holders, and he will make the request for any changes or additions during the insurance period and his signature on the proposal form will suffice, on requests for changes during the insurance period and/or on any document that the Carrier will issue (expressly including notices of cancellation) to bind all of the insured parties. Insurance payments that are not paid directly to third parties will be paid solely to the primary beneficiary or as the primary beneficiary instructs the Carrier and any notice sent by the Carrier solely to the primary beneficiary will be considered as having been sent to all of the beneficiaries.

16. Application of the Law

The provisions of the Insurance Contract Law 5741 - 1981 will apply to all matters related to this policy as mandated by the situation, unless otherwise stipulated in this policy, and insofar as it is not prohibited by law.

17. General

Main exceptions to the Carrier's liability or the scope of the insurance coverage are emphasized in this policy.

The foregoing shall not derogate from all other provisions of the policy.

Employer Liability Insurance Policy
(BIT 2011 Shekel Version)

Whereas, the insured, whose name, address and vocation are detailed in the list and/or in the specifications (hereinafter: the "List") contacted:

X Insurance Company (hereinafter -- "The Insurer")

With a request to issue the insurance detailed in this policy,

And whereas the Carrier agreed to issue the aforementioned insurance, in return for the Insured's undertaking to pay the insurance premium noted in the List,

Therefore it is hereby agreed and stipulated, that Carrier undertakes to indemnify the Insured for sums the Insured will have to pay a third party for compensation under the law, as the result of an insurance event as defined below, caused during the insurance period noted in the List, subject to all of the conditions included within and/or will be added to it with the consent of the parties.

Limits of Liability:

The Carrier liability will not exceed:

A. The sum detailed in the list as the limit of the liability;

B. The sum detailed in the list as the limit of all of the compensation for damages that occur during the insurance period.

Expenses:

Carrier will indemnify the Insured also for reasonable court costs that the Insured incurs due to its liability, even beyond the limits of the liability in the policy.

This policy is issued by Carrier on the basis of an insurance proposal and/or any other document and/or information that were submitted to the Carrier and which serve as a basis for and an integral part of this policy.

Definitions

For the purposes of this policy:

- Law:** 1. Torts Ordinance (New Version);
2. Products Liability Law 5740 - 1980.
- Insurance Event:** An insurance event is bodily, emotional, mental harm or death to one or more of the employees of the Insured, that are detailed in the list, and who are in the service of the Insured - whether salaried or not - as the result of an accident that occurred during or as the result of work for the Insured as well as the result of an illness that occurred during and as a result of work for the Insured.
- The Policy:** Including the list, the insurance proposal and any annex or addition attached to the policy.
- Deductible:** The sum to be borne by the Insured out of the total compensation and expenses to be paid by the Carrier as the result of an insurance event, for each insurance event individually, however with regard to a "professional illness", the deductible will be separate for each and every victim.
- In addition the deductible will also apply with regard to outside costs incurred by the Carrier during the processing of the claim and/or a demand for compensation and/or a notice of an event that could lead to a claim even if no compensation was paid for it.

Exceptions to the Carrier Liability

The Carrier will not be liable under the terms of this policy for:

- A. A commitment or obligation that the Insured undertook by contract, unless this commitment or obligation would have been placed on the Insured even without a contract as above.
- B. 1. Any sum that will be claimed from the Insured by the National Insurance Institute. This exception will not apply to claims of this sort if the basis for them is a good faith failure of the Insured and its reliance on a legal opinion that was presented to it regarding the exemption from paying the National Insurance allocations for those employees.
2. Any sum that the National Insurance Institute owes as the result of the claim or that the National Insurance Institute owes but has not paid as the

result of failure to comply with one or more of the provisions of the National Insurance Institute Law or because no claim was filed at all. However the foregoing will not apply if the failure to comply with the provisions of the law or in the submission of the claim were made in good faith by the Insured, in reliance of a legal opinion regarding an exemption from paying the National Insurance allocations for those employees or with regard to submitting a claim.

3. Any sum that the Insured, as the result of an insurance event within the framework of this policy, must compensate an employee for whom the Insured is not required to pay National Insurance Institute payments. The Carrier will compensate the Insured for these claims only on the difference between what the Insured should have had to pay to the National Insurance Institute under the provisions of the National Insurance Institute (Consolidated Version) 5728 - 1968.
- C. Any liability that could be incurred by the Insured for an insurance event caused directly or indirectly and/or was related in any way to asbestos or other materials that contain asbestos in any manner and quantity provided that the insurance event resulted from or was affected by the dangerous properties of asbestos.
 - D. Any liability that results from and/or is related to silicosis.
 - E. Damage caused directly or indirectly, as the result of war, invasion, the actions of a foreign enemy, a hostile act (whether war was declared or not), acts of terror and sabotage, civil war, rebellion, disturbance, military or national revolution, military rule or looting, pillage, robbery related to the above, confiscation or destruction by any government or public authority.

For the purposes of this exception - "Terror" means - use of violence for political goals, including the use of violence designed to scare the public or any part of it by a person or persons acting on behalf of or in concert with an organization hostile to the State.

With regard to "Terror" as defined above in the boundaries of the State of Israel and/or the territories held by it, only an express certification of the Israel Police or of the Ministry of Defense or of the Director of Property Tax and the compensation fund as defined in the Property Tax and Compensation Fund 1961 and all of its amendments, that certifies that the damages were caused directly by a terrorist act, will serve as cause for the rejection of a claim of damages as a result of terrorism.

- F. Any liability for one of the following reasons or their contribution or which derives from them whether directly or indirectly: any nuclear material, ionic radiation or radioactive pollution from any nuclear fuel or nuclear waste of any kind and/or from the burning of any nuclear waste. With regard to this exception the meaning of the word "burning" - any process, that consumes itself, of nuclear fission.

This exception will not apply to the use of x-rays, or the use of radioactive materials in research laboratories and hospitals and for the execution of non destructive testing in industry.

Notwithstanding the above, work with or use of nuclear fuel is excluded.

G. A liability that by law must be insured for motor vehicles and/or any other liability that must be insured, including bodies and institutions that are exempt from insurance under the Motor Vehicle Insurance Ordinance.

H. Damages caused outside of the borders of the State of Israel and the occupied territories. The borders of Israeli settlements and/or IDF positions within the "Autonomy" will be considered occupied territories for the purposes of this policy.

Expansions

- A. This policy covers the Insured's liability for damages caused abroad by individuals sent on its behalf outside of the borders of Israel – subject to the laws and judiciary of Israel. In respect to this clause, exception 12 will be changed accordingly.
- B. 1) The policy also covers employees employed by the Insured through special contracts whose salaries are paid by others, and/or for whom the Insured does not pay a salary, explicitly on condition that even if the National Insurance Institute does not require the granting of compensation for employees of this kind, the amount that the National Insurance Institute would have had to pay these employees under the terms of the policy, will be deducted from any compensation that the Carrier has to pay these employees, if the injured employee was entitled to compensation of this type.
- 2) The sum of the salary paid to the aforementioned employees by any body, is included in the annual salary declaration which the Insured submits to the Carrier for the purposes of insurance under the terms of this policy.
- C. This policy applies for any time that the employee is in the Insured's service, including – but not limited to – work breaks, during travel to and from the workplace as well as from one place of work to another, and any other employee activity performed in connection with or as part of employment, as long as he acts within the framework of his obligations and responsibilities as an employee of the Insured, including sports and social activity on condition that with regard to sports and social activities the event is recognized by the National Insurance Institute as a work accident.
- D. This policy is expanded to include the personal liability of the Insured's employees for an event that takes place during and as a result of working in the Insured's business.
- E. The coverage under the terms of this policy shall also apply to the liability of the Insured that could result from the possession of a weapon by it or one of its employees. Provided that every holder of a weapon authorized by the Insured held at the time of the event a valid license to carry a weapon.
- F. This policy is expanded to include the Insured's liability to contractors, subcontractors and their employees in the event that the Insured is considered their employer, on condition that there is no other employer liability insurance taken out by the Insured or on its behalf. For the purposes of this section the definition of an insurance event will be modified and will cover events that take place only during or following his employment in the Insured's business.
- G. To dispel any doubt it is clarified that this policy covers employees from the territories in the occupied territories who are employed by an Israeli employer pursuant to the provisions of the Torts Ordinance and the Product Liability

Law. The foregoing in exception B will apply in full with regard to these employees.

In the event that an Israeli court will determine that Israeli law does not apply to the event the policy will be expanded to cover the employer liability for these employees but only under the provisions of the laws that apply in the territories.

- H. The policy is expanded to cover the liability of the Insured towards "controlling shareholders" who are employed as paid managers and appear in the payroll of the Insured and for whom National Insurance payments are made. This expansion will not apply if the insurance event happened solely as the result of the carelessness of the victim himself.
- I. This policy is expanded to indemnify any person or legal entity whom the Insured undertook in writing, prior to the event, to include him as an additional insured in the employer liability insurance prepared by it, in the same manner that the aforementioned person or legal entity will be considered the employer of the Insured's employees, or it is established that he has vicarious liability with regard to the Insured's liability to its employees.
- J. Exception B' will not apply on the Insured's liability as an Israeli resident to its employees that cannot be insured under the National Insurance Institute or for whom the National Insurance Institute law does not apply.

K. Defense from legal proceedings:

The policy is expanded to include the Insured for legal expenses during criminal proceedings in the following manner and scope:

The Carrier will place an attorney at the disposal of the Insured or any of its employees, at its own expense, for defense in criminal proceedings, that may be filed against any of them, following a covered insurance event that occurred during the insurance period of this policy.

Additionally, the Carrier will place an attorney at the disposal of the Insured or any of its employees, at its own expense, for the purpose of filing an appeal as well as representation up until the final possible judicial level, of a judgment and/or a ruling against them in the criminal process, and will also cover the costs of the appeal.

A prerequisite for the provision of an attorney, for the submission of the aforementioned appeal, will be receipt of an opinion from the attorney who appeared in the proceedings under appeal, declaring that there is an inherent basis and good chance for the appeal's success.

Should the Insured not be interested in the services of the attorney provided by the Carrier, the Insured is entitled to contact the attorney of its choice. In this event, the Carrier will indemnify the Insured for the fees and defense expenses paid by the Insured, all subject to the limit of liability of the Carrier.

The Carrier will pay the fees and defense fees and/or the costs of the appeal at the conclusion of the criminal proceedings or the appeal, as warranted.

Definitions with regard to this expansion:

Criminal Proceedings:

Proceedings in which a criminal investigation is opened, including a cause of death investigation and/or an indictment is filed by the State of Israel or on its behalf, against the Insured or any of its employees as the result of an insurance event under the terms of this policy.

Defense Costs (including appeal):

Attorney's fees, court fees, stamp duty, copying protocols, payments to witnesses and experts as established by the court or according to the Criminal Procedure Law, that are required for a defense in criminal proceedings including appealing a ruling, but not every fine, compensation or punitive payment levied under the court ruling.

Attorney's Fees:

Attorney's fees for the managing of legal proceedings established in the guidelines of the Bar Association Regulations (Minimal Tariff) 5760- 2000.

Exceptions with regard to this expansion:

The Carrier will not be required to provide an attorney for legal defense or bear the payment if:

1. The process or the investigation and/or the filing of an indictment are for an event that is clearly excluded from the policy.
2. The proceeding or the investigation and/or the filing of the indictment are for an event in which (whether by action or by failure) the Insured or any of its employees acted with the intent to cause the insurance event.
3. The proceeding or the investigation and/or the filing of the indictment are against contractors and/or subcontractors of the Insured or any of their employees.

The limited liability of the Carrier under this expansion will not exceed \$ 200,000 for each event and \$ 400,000 for all of the events during the insurance period.

- I. The Carrier waives any right of subrogation with regard to individuals in the service of the Insured, the Insured's shareholders, the members of the board of the Insured, or any other individual or body who the Insured, prior to the insurance event, undertook in writing that its insurance would include a waiver of the rights of subrogation for his benefit.

The rights of the Insured to receive compensation under the terms of this policy will not be hurt as a result of the fact that the Insured, prior to the insurance event, waived the right of a claim in writing with regard to any individual and/or body and/or committed in writing to compensate him, and without this waiver or commitment the Insured would have had the right of subrogation vis a vis that individual or body.

However the aforementioned will not apply to the benefit of an individual who causes the insurance event deliberately.

Terms of the Policy

1. Notice of claim

The Insured must notify the Carrier, within a reasonable time from its awareness of the occurrence of an insurance event that could serve as the basis for a claim under this policy. If the Insured is a corporation, the knowledge of an aforementioned insurance event will be considered from the moment one of the Insured's managers or the individual responsible for the Insured's insurance learns of it.

2. Address for Notifications

Notices to the Insured

A notice from the Carrier to the Insured with regard to the policy will be sent to his last known address.

Notices to the Carrier

A notice from the Insured to the Carrier will be submitted to the Carrier at the address of its central office, as detailed in the policy, or at any other address in Israel, for which the Carrier issues a notice (if at all) from time to time.

3. Notice of proceedings

The Insured will notify the Carrier, as soon as possible, of an indictment filed against it or of a police investigation or an investigation of a death or of any other investigation taking place or that will take place in the future with regard to any insurance event, for which a claim can be made under the terms of this policy. If the Insured is a corporation, knowledge by the Insured of the aforementioned cases will be considered from the moment that one of the Insured managers or the individual responsible for insurance learns of it.

4. Transferring Documents from the Insured to the Carrier

The Insured will transfer to the Carrier, immediately upon receipt thereof, any letter, subpoena, order or notification of a hearing, or any proceeding, related to a claim for damages following the occurrence of an insurance event.

5. The Prohibition of Admission

No Admission, offer, promise, commitment or compensation of any kind will be made or proffered by the Insured or on its behalf, without the prior written agreement of the Carrier. The provisions of this section do not apply on the provision of details of an accident to the police or to any

official body by law, upon its demand, as well as giving testimony in a criminal case.

6. Processing Claims

- A. If the Carrier recognizes its liability under the terms of the policy, it may and upon the request of a third party it must pay a third party the insurance benefits that the Carrier owes the Insured provided that it notifies the Insured of such 30 days in advance and the Insured did not object during this period. However a claim that the Carrier could claim against the Insured will stand against a third party.

If the Insured objects in an unreasonable manner to the proposal of the Carrier to pay insurance benefits to a third party, the Carrier may not pay a sum higher than it would have if not for the objection of the Insured.

- B. If the Carrier recognizes its liability under the terms of the policy, it can act on its own discretion and subject to section A above, take control and manage the defense of any claim or the settlement of any claim as well as to claim and receive, in the name of the Insured, indemnification, compensation, deductibles, damages. The Carrier will have absolute discretion with regard to the management of all proceedings or with regard to the arrangement or the settlement of any claim and the Insured must provide it with all of the information that it has and to proffer any aid asked of it with regard to the issues under discussion in this section. However it is agreed that the Carrier will do its utmost to act in concert with the Insured in order not to harm its good name or cause it damage.
- C. In the event that the sum of the claim exceeds the limits of the liability of the Carrier, the Carrier and the Insured will act in concert, and without derogating from the generality of the above, the Insured will be afforded the right to participate in the defense in an active role.

7. Duty of Care

The Insured must take reasonable measures of care in order to prevent insurance events that are covered under the terms of the policy.

8. Material Change

- A. The Insured will disclose in writing during the insurance period, any material change within a reasonable time of it becoming known to the Insured; if the Insured fails to notify the Carrier of this change, the Carrier will be entitled to cancel the policy or reduce the scope of the liability under the provisions of the law.

- B. A material issue is one for which a question was posed in the insurance proposal or appears in the written information after having been transferred to the Carrier by the Insured for the purpose of preparing the policy.

9. Double Insurance

If liability was insured with more than one carrier for an overlapping period, the Insured will notify the Carrier within a reasonable time from when the double insurance was made, or after he was informed of it.

10. Payment of Premiums and other Monies

- A. Unless otherwise agreed between the parties the insurance premiums and the other monies due from the Insured to the Carrier will be paid in their entirety within 28 days of the commencement of the insurance period.
- B. If the premium is not paid within the aforementioned 28 days, rather on other dates that were expressly agreed upon, each payment will carry adjustments from the day of the onset of the insurance until the actual day of payment. The adjustments will be linkage adjustments between the known index on the day of the onset of the insurance and the known index on the day of actual payment plus credit costs.
- C. If the premium was not paid on the agreed upon dates, the sum in arrears will carry additional linked interest for the period in arrears at the rate established in the Awarding Interest and Linkage Law 5721 - 1961 section 1 "Adjustments for Linkage and Interest".
- D. The insurance premiums detailed in the list are temporary and calculated on the basis of an annual payroll estimate, to be paid during the insurance period. At the end of the insurance period, a premium adjustment will be prepared on the basis of the payroll actually paid. On the request of the Carrier, the Insured undertakes to provide declarations with regard to the total payroll paid each month for the employees detailed in the list, according to the reports provided to the National Insurance Institute on the 106 form or its replacement.
- E. If any sum in arrears is not paid, as stated within 15 days of written notice by the Carrier, the Carrier is entitled to notify the Insured in writing, that the insurance will be cancelled in an additional 21 days if the sum in arrears is not paid before then and if there is a named beneficiary that is not the Insured, and the designation is irrevocable, the Carrier may cancel the insurance, if it notifies the beneficiary in writing of the aforementioned default in payment, and the beneficiary fails to pay the sum in arrears within 15 days of receiving the aforementioned notice.

- F. The cancellation of the insurance under the provisions of this section does not derogate from the Insured's obligation to pay the sum in arrears, which applies to the period prior to the aforementioned cancellation, as well as the Carrier's costs.

11. Linkage

- A. The limits of the liability in the policy will be linked according to the ratio between the consumer price index published prior to the onset of the insurance period and the consumer price index published prior to the payment of a claim. The deductible fee quoted in shekels will be in accordance with the ratio between the aforementioned index, published adjacent to the onset of the insurance period and the index that will be published adjacent to the payment of the deductible.
- B. The linkage of the insurance sums to the expansions detailed in the body of the policy.

It is hereby agreed that since the policy is shekel based, in any place in the body of the policy (however not on the List page and/or in the specifications of the policy, where the sums are linked to the index known on the date the current policy commenced) where a shekel insurance sum is noted it is linked to the consumer price index known on the 1/1/2009.

12. The Right to Deduct

The Carrier is entitled to deduct any sum owed to the Carrier by the Insured from compensation due to the Insured in the event of an insurance event, whether the debt relates to this policy or to any other.

13. Extension of the Insurance Period

Any extension of the insurance period according to the policy requires the written consent of the Carrier given expressly for this purpose.

14. Cancellation of Insurance

- A. The Insured is entitled to cancel this policy with a written notice to the Carrier; the cancellation will go into effect on the date noted by the Insured in its notice, but not before the date the notice is received by the Carrier. With the cancellation of the contract the premiums will be adjusted according to section 10 above, until the date of cancellation and according to the calculation, premiums may be assessed or returned. Notwithstanding the above, in the event that the Insured requires the Carrier to sign insurance certifications in which there is a commitment to cancel the insurance only following notice to the commitment's recipient, the policy will be cancelled only following the end of the period specified in the certification.

In a cancellation at the request of the Insured the Carrier will retain the insurance premiums customary for it for the short period during which the insurance was in effect (i.e. 10% of the annual premium for each month or part thereof and an additional 10% general charge).

- B. Without derogating from the rights of the Carrier by law or under any other provision in this policy, the Carrier is entitled to cancel the insurance at any time, prior to the end of the insurance period, at its discretion, provided that it sends the Insured written notice by registered mail, at least 60 days prior to the date of cancellation, and in this instance the Insured will be entitled to a refund of insurance premiums paid to the Carrier for the period following the cancellation.

Cancellation of the insurance as aforementioned will not harm the rights of claim under the terms of the policy for an insurance event that took place prior to the aforementioned cancellation.

- C. If the Carrier cancels the insurance before the designated insurance period, and the cause for the cancellation is not due to a breach of the contract by the Insured or that the Insured tried to defraud the Carrier, the Carrier will pay the Insured the sum it would have demanded from a similar insured person for the same kind of insurance, on the date of the cancellation, relative to the period remaining until the end of the agreed upon insurance period.

15. The Policy's Primary Beneficiary

In the event that a number of different parties are insured by the policy and a primary beneficiary is established, said beneficiary will manage all negotiations with the Carrier on behalf of the other policy holders, and he will make the request for any changes or additions during the insurance period and his signature on the proposal form will suffice, on requests for changes during the insurance period and/or on any document that the Carrier will issue (expressly including notices of cancellation) to bind all of the insured parties. Insurance payments that are not paid directly to third parties will be paid solely to the primary beneficiary or as the primary beneficiary instructs the Carrier and any notice sent by the Carrier solely to the primary beneficiary will be considered as having been sent to all of the beneficiaries.

16. Adjusting Payroll to the Previous Period

This policy - or its renewal - shall not be construed as a waiver of a payroll adjustment as stated in term 10 D' above with regard to any insurance period preceding the insurance period.

17. Insurance Contract Law

The provisions of the Insurance Contract Law 5741 - 1981 will apply to all matters related to this policy, as mandated by the situation, unless otherwise stipulated in this policy and insofar as it is not prohibited by law.

18. General

Main exceptions to the Carrier's Liability or the scope of the insurance coverage are emphasized in this policy.

The foregoing shall not derogate from all other provisions of the policy.

AS 2/18/14

PROFESSIONAL INDEMNITY EXTENSION

INSURING CLAUSE

This Insurance policy is extended to indemnify the Insured against any Claim for which the Insured may become legally liable and which is first made against the Insured and notified to the Insured during the Period of Insurance in respect of:

- (a) Negligence or breach of duty of care
- (b) Negligent misstatement or negligent misrepresentation

Indemnity shall only apply for the acts errors or omissions described in (a) and (b) above when committed during the course of the Insured's Business (As fully describe in the Information Section) within the Territorial Limits applicable to this Endorsement.

LIMIT OF INDEMNITY

The Limit of Indemnity applicable to this Endorsement shall be that stated in the Schedule below.

DEFENCE COSTS

Subject to the terms and conditions of this Endorsement, Insurers agree to indemnify the Insured for Defence Costs in respect of any Claim(s) covered under clause 1 above

EXCESS


Insurers shall not be liable for the amount of the Excess stated in the Schedule below in respect of the first amount of each and every Claim including claimants' costs fees and expenses and Defence Costs.

The Insured shall not effect insurance in respect of the Excess

DEFINITIONS AND INTERPRETATION

In this Endorsement, unless the context otherwise requires, the following words and expressions shall bear the meaning set out below:

- (a) Insured shall mean the Insured or by any director, officer or employee of the Insured or any entity in the insured's service or employ as detailed in the policy schedule, for whom this insurance stated in the Schedule of the Policy to which this Endorsement is attached
- (b) Insured's Business shall mean that which is stated in the Schedule of the Policy to which this Endorsement is attached (As fully describe in the Information Section)
- (c) Period of Insurance – shall mean the Period of Insurance applicable to the policy to which this Endorsement is attached
- (d) Claim shall mean breach of professional duty made in good faith and without malicious intent and which originates in negligence, error, mistake or omission made by the Insured, an assertion of a right to compensation or damages from the Insured, including by any civil proceeding or demand against the Insured. Where two, or a series of, Claims arise from a circumstance or occurrence or a series of circumstances or occurrences consequent upon or attributable to one source or original cause, they are deemed to be one Claim for the purpose of the Limit of Indemnity and the Excess applicable to this Endorsement.

 2/18/14

- (e) **Defence Costs** shall mean all costs, fees and expenses incurred by the Insured with the Insurers prior written consent in the investigation defence or settlement of any Claim made against the Insured under this Endorsement.

Defence Costs extend to include the costs of representation at any inquest inquiry or other proceedings in respect of matters which have a direct relevance to any Claim made or which might be made against the Original Insured provided such Claim or Claims are the subject of indemnity by this Endorsement

- (f) **Limit of Indemnity** means the maximum amount payable by Insurers as stated in the Schedule to this Endorsement inclusive of claimants' costs fees and expenses and Defence Costs, irrespective of the number of Claims, their quantum or timing, or the number of Insureds claiming on the Policy.
- (g) **Territorial Limits** means Israel only.

EXCLUSIONS

This coverage provided by this Endorsement shall not provide indemnity in respect of any Claim:

- (a) alleging any neglect, act, error or omissions committed or alleged to have been committed prior to the Retroactive Date (if any) applicable to this Endorsement as stated in the Schedule below;
- (b) first made before the effective date of this Endorsement or the inception date of the Policy to which this Endorsement is attached (whichever is later);
- (c) or potential Claim or circumstance known to the Insured and which the Insured knew or ought reasonably to have known, prior to the effective date of this Endorsement or the inception date of the Policy to which this Endorsement is attached (whichever is later), might result in a Claim against the Insured;
- (d) or potential Claim or circumstance which has, or ought to have, been notified under any other policy of insurance incepting prior to the effective date of this Endorsement or the inception date of the Policy to which this Endorsement is attached (whichever is later);
- (e) or potential Claim or circumstance in respect of which the Insured is, or would be but for the existence of this Policy, entitled to indemnity under any other policy of insurance;
- (f) made against the Insured relating to advice provided by the Insured for a fee or in the expectation of receiving a fee
- (g) made against any Insured by any other Insured or any entity in which the Insured exercises a financial or managerial interest unless such claim is made against the Insured for an indemnity or contribution in respect of a Claim made by an independent third party;

- (h) in respect of any fees claimed back or withheld by a customer of the Insured arising from non-performance of the Insured's contractual obligations, unless such fees form part of a compromise settlement of a Claim;
- (i) arising from the recommendation or specification of any goods or products where their use is not in accordance with the manufacturer's specification;
- (j) based on or arising out of liquidated damages clauses, penalty clauses or performance warranties, unless proven by the Insured that such liability would have attached in the absence of such clauses or warranties;
- (k) in relation of any fines, penalties, aggravated, punitive or exemplary damages or other non-compensatory damages; including but not limited to multiplications of compensatory awards or damages;
- (l) ~~Arising out of bodily injury, death, disease, physical or mental illness, loss of or damage to property, including where relevant the cost or expense of inspection, repair, alteration, recall, modification or replacement of any product or work supplied or carried out by or on behalf of the insured.~~
- (m) Arising out of any dishonest or malicious act of the Insured, their predecessors in business or any director officer or employee of the Insured or their predecessors unless such act is the consequence of an unintentional negligent act, error or omission.
- (n) arising out of a failure to meet contractual requirements relating to efficiency, output or durability unless such failure is the consequence of an unintentional negligent act, error or omission in connection with detailed design and/or detailed specification;
- (o) for claims for financial loss made against the Insured or any director, partner, or employee of the Insured while acting in their capacity as a director or officer of any company;
- (p) arising out of any neglect, error or omission by the Insured in the estimation of probable costs;
- (q) arising out of the procurement of:
1. finance for any project;
2. contract guarantees or supplier's guarantees;
- (r) arising out of the giving by the Insured of any express warranty or guarantee which increases the Insured's measure of liability;
- (s) arising out of any advisory or administrative services in connection with assurance, insurance, provident funds and medical aid;
- (t) arising out of the insolvency, liquidation or judicial management of the Insured or of any party who enters into any agreement with the Insured;

AS 2/18/14

AS 2/18/14

- (u) arising out of:
 1. wrongful arrest, including assault in connection therewith;
 2. wrongful dismissal of an employee;
 3. defamation;
- (v) for defamation, invasion of privacy, piracy or unfair competition; arising out of the Insured's advertising activities
- (w) arising out of infringement of copyright, intellectual property rights, patents or registered designs or breach of confidentiality;
- (x) for medical malpractice which shall mean any negligent act, error or omission in the professional services rendered or which should have been rendered by any medical practitioner, nurse or other medical official in the full or part time service of the Insured;
- (y) arising directly or indirectly out of any dispute between the Insured and any present or former employee or any person who has been offered employment by or declined for employment by the Insured;

GENERAL CONDITION

- (a) If during the Period of Insurance the Insured becomes aware and notifies the Insurer of a circumstance which is likely to give rise to a Claim against them, then, subject to the agreement of the Insurer, any claim which may subsequently be made against the Insured arising out of such circumstance shall be deemed to have been made during the Period of Insurance.

**RIDERS, ENDORSEMENTS AND
ADDITIONAL CLAUSES**

WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

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.

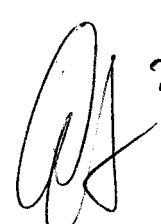
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SERVICE OF SUIT CLAUSE (ISRAEL)

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

In this event Ms Sigal Schlimoff Rechterman of Gibor Sport Building, 7 Menachem Begin Road, Ramat Gan 52521, Israel, Lloyd's Representative in Israel, is authorised to accept service of suit on behalf of Underwriters.

20/01/11
NMA2349A

1.001
21/8/14




Policy Number

SPRGL1400871

Insured / Account

Derech Eretz Ltd

Unique market reference number

B0713SPRGL1400871

SUBSCRIPTION AGREEMENT.

SLIP LEADER: QBE Casualty Syndicate 386

**BASIS OF AGREEMENT
TO CONTRACT
CHANGES:**

All changes to be managed and agreed in accordance with the General Underwriters Agreement (GUA) (October 2001) and the Non-Marine Schedule (October 2001).

In the event of any change to this contract relating to Lloyd's specific regulatory, international trading or taxation requirements, the term Slip Leader will be deemed to require additional agreement from the first subscribing Lloyd's syndicate.

As regards Honeycombs/Slip Endorsements where full market approval is deemed not necessary within the provisions of the GUA then, when required Lockton Companies LLP may be permitted to utilise email facilities to supply the 'follow' Insurers with scanned copies of such Honeycombs/Slip Endorsements for their records.

Wherever practicable, between the broker and each (re)insurer which have at any time the ability to send and receive ACORD messages:

1. the broker agrees that any proposed contract change will be requested via an 'ACORD message' or using an ACORD enabled electronic trading platform;
2. whilst the parties may negotiate and agree any contract change in any legally effective manner, each relevant (re)insurer agrees to respond via an appropriate 'ACORD message' or using an ACORD enabled electronic trading platform;
3. where a (re)insurer has requested to receive notification of any contract change the broker agrees to send the notification via an 'ACORD message' or using an ACORD enabled electronic trading platform.

 21/12/14



Policy Number

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**OTHER AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, IF ANY:**

Part Two changes may be agreed by Slip Leader only.

**BASIS OF CLAIMS
AGREEMENT:**

Claims to be managed in accordance with:

- i) The Lloyd's Claims Scheme (Combined), or as amended or any successor thereto.

(N.B. The applicable Scheme/part will be determined by the rules and scope of the Scheme(s)).

- ii) IUA claims agreement practices.
- iii) The practices of any company(ies) electing to agree claims in respect of their own participation.

**CLAIMS AGREEMENT
PARTIES:**

- i) For Lloyd's syndicates

The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate and/or the Scheme Service Provider.

The second Lloyd's Syndicate is: As stated on Risk attached

- ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below.
- iii) Those companies that have specifically elected to agree claims in respect of their own participation.
- iv) All other subscribing insurers that are not party to the Lloyd's/IUA claims agreement practices, each in respect of their own participation.

 21/8/14



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CLAIMS

ADMINISTRATION:

Lockton Companies LLP and insurers agree that any claims hereunder (including any claims related costs/fees) will be notified and administered via ECF with any payment(s) processed via CLASS, unless both parties agree to do otherwise.

**RULES AND EXTENT
OF ANY OTHER
DELEGATED CLAIMS
AUTHORITY:**

None required.

**EXPERT(S) FEES
COLLECTION:**

In respect of Claims related experts Fees:

Xchanging 'Experts Fees Service' to be service provider for all slip security, including overseas.

In respect of all other expert fees Broker to collect fees.

Where the broker collects any expert fees the following to apply in all cases:

The following terms covering treatment of money shall NOT apply to any Lloyd's Managing Agent who have all agreed specific Terms of Business with Lockton Companies LLP. These terms shall ONLY apply to Insurance Companies or Underwriting Agents ('Underwriters') who do NOT have a current Terms of Business or letter agreement in place with Lockton Companies LLP, as follows:

Where Lockton Companies LLP holds claims adjustment, legal, survey or other experts fee monies that it receives from Underwriters for onward payment, the Broker will hold such fee monies as the agent of Underwriters and not the client. It is a requirement of English law (as specified in the FCA Client Assets Sourcebook 'CASS') that Risk Transfer shall apply and that Underwriters shall hereby agree and consent to "the Broker co-mingling such experts fee monies in its client non-statutory trust account and that Underwriters' rights to such monies shall be subordinated to those of the Brokers other clients".

**SETTLEMENT
DUE DATE:**

60 days from inception



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**BUREAUX
ARRANGEMENTS:**

Any adjustment endorsements to be accepted by the LPSO/XIS (Ins-sure) as presented by Lockton Companies LLP without prior approval by Insurers and without production of premium calculations.

Delinked accounts to be presented by Lockton Companies LLP to LPSO/XIS (Ins-sure).

Premium payment requirements deemed met if accounts are correctly released for settlement to LPSO/XIS (Ins-sure) in line with bureaux procedures on or before the settlement due date.

Insurer(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP.

Insurer(s) to sign any deferred premium instalments as Additional Premium(s); however, any annual instalments to be allocated to respective year of account.


Insurer(s) agree that convertible currencies may be settled in USD where deemed appropriate by the Broker.

Insurer(s) agree sign Stage 1 notwithstanding any outstanding subjectivities.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, presentation to LPSO/XIS (Ins-Sure) or Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW. Where the PPC/PPW is later than the SDD the SDD is automatically deemed updated to be the same as the PPC/PPW.

**NON-BUREAUX
ARRANGEMENTS:**

None.

 2/18/14
4



Policy Number

SPRGL1400871

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FISCAL AND REGULATORY.

**TAXES PAYABLE BY
INSURER(S):**

None

COUNTRY OF ORIGIN: Israel

OVERSEAS BROKER:

Ninve Insurance
111 Dizengoff St. Tel Aviv

**SURPLUS LINES
BROKER:**

Not Applicable

STATE OF FILING:

Not Applicable

US CLASSIFICATION:

Non Regulated – Non Situs

NAIC CODES:

Not applicable.

**ALLOCATION
OF PREMIUM
TO CODING:**

NA
W4

As per premium split

[Signature] 2/18/14

**REGULATORY
CLIENT
CLASSIFICATION:**

Commercial Customers

[Signature] 2/18/14
5