

FINE ART (NON-DEALERS) INSURANCE POLICY

LLOYD'S OF LONDON

This is to certify that in accordance with the authorisation granted to Interpacific Underwriting Agencies Pty Limited trading as Australis Group Underwriting (ACN 077 515 327) by Insurers, whose definitive numbers and the proportions underwritten by them, which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Policy Signing Office, and in consideration of the premium specified herein, the said Insurers are bound severally and not jointly, each for his own part and not one for another, their Executors and Administrators, to insure in accordance with the Policy.

In the event that a dispute arises between Insurers and the Insured out of or otherwise in relation to this Policy, then:

- (a) Any party to the dispute shall, without prejudice to any other right or entitlement they may have, give written notice to the other party (the "**Dispute Notice**") requiring them within 7 days of this notice to negotiate (whether in a face to face meeting or by teleconference) in good faith as to how the dispute can be resolved;
- (b) If a dispute is not resolved within 10 days of the Dispute Notice, either party can request the other party within a further 10 days to agree on either:
 1. a process for resolving the dispute through means other than litigation or arbitration, such as further negotiation, mediation, or any other alternative dispute resolution technique. The rules governing any such technique shall be agreed as between the parties and where no such agreement as to the process and or guidelines is reached within 10 days, then it shall be by mediation by a mediator selected by the Chairperson for the time being of Lawyers Engaged in Alternative Dispute Resolution (**LEADR**) (or other appropriate professional body as agreed by the parties); or
 2. referral of the matters in dispute to an independent expert for an expert determination. The parties agree that they will not be bound by the determination of the expert. The expert:
 - (a) will be a person agreed between the parties within 10 days of the dispute being referred to expert determination or failing this, the expert will be a person appointed by the Australian Insurance Law Institute (or other appropriate professional body as agreed by the parties);
 - (b) will act as an expert and not as an arbitrator;
 - (c) will proceed in such a manner as he or she thinks fit without being bound to observe the rules of natural justice or the rules of evidence;

- (d) will take into consideration all documents, information and other written and oral material that the parties place before him or her including documents, information and material relating to the facts in dispute and to arguments and submissions upon the matters in dispute; and
- (e) will act with expedition to provide the parties with a determination in writing within 35 days of the referral to him or her of the matters in dispute.

Both parties must use their best endeavours to achieve resolution by the selected process and further agree that neither party will initiate litigation (as set out in clause (c) below) without first pursuing such informal resolution techniques in good faith;

In the event that the dispute is not resolved by such informal process within 35 days of the Dispute Notice (or such other period as agreed in writing between the parties) the dispute shall be referred to litigation.

- (c) Following either a mediation or an expert determination pursuant to clause (b) of this provision, either party may then initiate proceedings in any competent Court in the Commonwealth of Australia in relation to the matters in dispute.

Such proceedings may only be commenced on 14 days written notice to the other party and shall be determined in accordance with the law and practice applicable in such Court.

Any summons, notice or process to be served upon Insurers may be served upon:

Australis Group Underwriting
Level 3, 117 Clarence Street
Sydney NSW 2000

who has authority to accept service and to appear on Insurers behalf.

If proceedings are instituted against any one of the Insurers, all Insurers participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

- (d) Except where the dispute renders it impossible to do so, the parties will continue performing their respective obligations under the Policy while the dispute is being resolved, unless and until such obligations are terminated or expire in accordance with this Policy.
- (e) Each party must use its reasonable endeavours to ensure that where a dispute is reasonably foreseeable, it is dealt with at a sufficiently early stage to ensure that there is a minimal effect on the ability of either party to perform its obligations under the Policy.
- (f) Notwithstanding anything in this schedule, either party may at any time commence Court proceedings in relation to any dispute or claim arising under, or in connection with the Policy where the party seeks urgent interlocutory relief.

INDUSTRY CODE OF PRACTICE This Insurance Policy is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. Any enquiry or complaint relating to this Insurance should be referred to Australis in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21 Angel Place
123 Pitt Street Sydney NSW 2000

Telephone Number: (02) 9223 1433
Facsimile Number: (02) 9223 1466

Who will refer your dispute to the Complaints Department at Lloyd's.

Complaints that cannot be resolved by the Complaints Department may be referred to the Financial Ombudsman Service (UK). Further detail will be provided at the appropriate stage of the complaints process.

Privacy – We are committed to protecting you, the Insured privacy. We only use the personal information you provide to us to quote on and insure your risks. We only provide personal information to our Insurers

(and their representatives) and those we appoint to assist us with claims under your policy. We will not trade, rent or sell your information.

If you don't provide us with complete information, we cannot properly quote for your insurance and we cannot insure you. You can check the personal information we hold about you at any time.

If you provide us with personal information about anyone else, we rely on you to have told them that you will provide their information to us, to whom we may provide it, the purposes for which we will use it and that they can access it. If the information is sensitive, we rely on you to have obtained their consent on these matters.

For more information about our Privacy Policy, please visit our website – www.ausuw.com

Australian Terrorism Insurance Act 2003 Notice

The Insurers have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined by ATIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Insurers have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Insurers will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Insurer's liability for payment for "eligible terrorism losses".

OUR AGREEMENT

Because You have paid or agreed to pay the premiums to Us, We agree subject to the term exclusions, territorial limits and conditions contained in or endorsed on this policy to provide coverage for Property Insured as described in the Schedule against risk of physical loss, damage or destruction occurring during the Period of Insurance.

DEFINITIONS

Business means the Business carried on by You at the premises at the commencement of the Period of Insurance or such other business(es) as may be declared by You during the Period of Insurance and insurance for which has been accepted by Us.

Damage means physical loss, damage or destruction.

Excess means the amount of each claim, or series of claims which arise out of one event for which We will make no payment. Should more than one Excess be payable under this Policy for any class or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of Excess only shall apply. The amount of the excess is stated in the Schedule.

Limit of Liability means the maximum amount payable by Us for any one loss or series of losses suffered by You arising out of any one original source or cause at any one Situation,

subject to any Sub-Limits of Liability. The Limits of Liability and Sub-Limits of Liability are as set out in the Schedule.

If more than one Limit or Sub-Limit of Liability applies, the lesser amount shall be payable.

Each Sub-Limit shall not increase Our liability beyond the Limit of Liability.

Period of Insurance means the period stated in the Schedule for which cover is current.

Policy means this Policy wording together with the Policy Schedule and Endorsements and is deemed to also mean the Certificate.

Schedule means the most recent Policy Schedule given to You. It shows the Policy Number together with other details of cover.

Situation means the Situation(s) shown in the Schedule.

We, Us, Our, Insurers means certain Underwriters at Lloyd's.

You, Your means the person(s) named in the Schedule as the Insured.

COVER

We will pay for Damage occurring during the Period of Insurance to Property Insured as described in the Schedule, belonging to You or for which You are legally responsible or for which You have assumed responsibility to insure prior to the occurrence of any Damage.

Property Insured means property both real and personal and includes all such property acquired after the commencement of the Period of Insurance.

TERRITORIAL LIMIT

This Policy provides coverage for Property Insured while at the Situation or Situations specified in the Schedule or elsewhere on exhibition or in Transit, all within the Commonwealth of Australia.

BASIS OF SETTLEMENT/VALUATION

We shall not be liable for more than the amount shown for each item specified in the Schedule, which amounts are agreed to be the values of said items for the purpose of this insurance.

In the event of the total loss of any item or items which are a part of a set, We agree to pay You the full amount of the value of such set as specified in the Schedule, and You agree to surrender the remaining item or items of the set to Us.

In the event of partial loss or damage to any Property Insured, We agree to pay the cost and expense of restoration plus any resulting depreciation in value but not exceeding the specified value of that item.

We shall not be liable for more than actual market value, but for no greater proportion of any loss or damage than the amount of insurance applicable hereunder to unscheduled property bears to 85% of the aggregated actual market value of all such property.

NEW ACQUISITIONS

Items of fine arts newly acquired are automatically insured hereunder as unscheduled property, subject to Policy Conditions and Limits of Liability. You shall, as soon as practicable but within 90 days from date of acquisition, advise Us to increase the Policy and/or amend the Policy if increase or amendment is necessary. Pending such advice, the application of coinsurance to the value of such items is waived and the applicable Policy Limit is increased by the value of such items, but in no event shall We be liable with respect to such items for more than 25% of the aggregate amount insured hereunder exclusive of this provision. Additional premium if required shall be at pro rata rate from the date of acquisition.

EXCLUSIONS

We will not cover Damage caused by or resulting from:

1. WEAR AND TEAR

Wear and tear, gradual deterioration, insects, vermin, inherent vice, or from any repairing, restoration or retouching process;

2. FRAUDULENT ACTS

Any fraudulent, dishonest or criminal act(s) committed alone or in collusion with others by:

- (i) any employee, officer, director, partner, trustee or any other of Your authorised representatives, whether or not such act(s) be committed during regular business hours; or
- (ii) others to whom the property covered hereunder may be entrusted (carriers for hire accepted).

3. DISAPPEARANCE/SHORTAGE

Mysterious disappearance, unexplained shortage or shortage disclosed by taking inventory.

4. TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any acts of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed to political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing suppressing or in any way relating to any act of terrorism.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

5. NUCLEAR RADIATION, RADIOACTIVITY & RADIOACTIVE CONTAMINATION

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- 5.1 Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 5.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 5.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 5.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other peaceful purposes.
- 5.5 any chemical, biological, bio-chemical or electromagnetic weapon.

6. CYBER ATTACK

- 6.1 Subject only to clause 14.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means of inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 6.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, civil strife arising therefrom, or any hostile act by or against a belligerent power or terrorism or any person acting from a political motive, Clause 14.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
- 7. WAR**
- 7.1 Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack (a) by any government or sovereign power (*de jure* or *de facto*), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by any agent of such government, power, authority or forces;
- 7.2 insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering , combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
- 7.3 Any weapon of war employing atomic fission, fusion, or other means of atomic explosion or damage by exposure to nuclear radiation whether in time of peace or war;

CONDITIONS

1. CLAIMS

On the happening of any Damage giving rise to a claim under this Policy, You shall give notice in writing to Us and shall as soon as reasonably practicable deliver to Us, a statement of claim in writing containing as particular an account as may be reasonably practicable of the Property Insured which has been Damaged, and of the amount of Damage having regard to their value at the time this occurred, together with details of any other insurances which may apply to the claim.

You shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under this Policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or damaged, including reporting the matter to the police and any other responsible authority.

If We elect or become bound to replace, repair or rebuild any item of property, You shall at Your own expense produce and deliver to Us all such designs, documents and information as We may reasonably require.

On the happening of any Damage in respect of which a claim is or may be made under this Policy, We and every person authorised by Us may, without thereby admitting any liability, and without dismissing Our right to rely upon any provisions of this Policy, enter, take or keep possession of any building or premises where the Damage has happened and may take possession of or require to be delivered to Us any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This Condition shall be evidence of leave and licence to Us so to do. You shall do all things necessary within Your control to ensure that Our requirements are met and that We are not hindered or obstructed in undertaking anything authorised by any provision of this Policy.

You shall not be entitled to abandon any property to Us whether taken possession of by Us or not unless specified elsewhere in this Policy.

Any person claiming under this Policy shall at Our request and at Our expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Us for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which We shall be or would become entitled or subrogated upon Us paying for or making good any Damage under this Policy.

2. CANCELLATION

You may cancel this Policy at any time by written request. After cancellation by You, We will retain or be entitled to the premium for the period during which the Policy has been current, calculated at Our current short-term rates. We may cancel the Policy on any grounds stated in the Insurance Contracts Act 1984. After cancellation by Us, You will be entitled to a pro rata refund of the premium.

DUTY OF DISCLOSURE

Before You enter into a contract of general insurance with Us, You have a duty under the Insurance Contracts Act 1984, to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and , if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance. Your duty does not require disclosure of a matter:

- that diminishes the risk to be undertaken by Us;
- that is of common knowledge;
- that We know, or in the ordinary course of business, ought to know;
- as to which compliance with Your duty has been waived by Us.

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under this contract in respect of a claim or may cancel this contract.

If Your non-disclosure is fraudulent, We may also have the option of avoiding this contract from its beginning.

ALTERATION OF RISK

You must notify Us in writing if there are any changes in the facts or circumstances which existed when this insurance commenced.

If We agree to cover those changes We may require You to pay additional premium. This Policy will not cover those changes unless We have notified You in writing of Our agreement to them and You have paid Us any additional Premium which We may have required.

If We do not agree to cover the changes, We may cancel this Policy.

SUBROGATION WAIVER

We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against:

- (i) any Co-Insured (including its directors, officers and employees);
- (ii) any corporation or entity (including its directors, officers and employees) owned or controlled by You or against any co-owner of the Property Insured.

You may without prejudicing Your position under this Policy:

- (i) release any statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so;
- (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
- (iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

OTHER INSURANCE

If at the time of any loss, destruction or damage happening there is insurance covering the same loss, destruction or damage effected by a person other than You, We will only be liable for any amount over and above that recoverable under the other insurance.

PRECAUTIONS TO PREVENT LOSS

You shall take all reasonable precautions to prevent Damage to Property Insured which may give rise to a claim under this Policy.

REINSTATEMENT OF SUM INSURED

The Insurance under this Policy and the Limit of Liability shall be automatically reinstated in the event of any loss unless You request otherwise. You must pay any additional premium calculated pro rata by reference to the amount of the loss and the outstanding Period of Insurance. The premium shall be calculated at Our current premium rates applicable to the current Period of Insurance.

OTHER INTERESTS AND JOINT INSUREDS

If any person or entity (Co-Insured) shall have any interest in the Property Insured, We shall protect that interest in the event of a claim, provided that the interest is disclosed in Your business records and You shall have disclosed the nature and extent of that interest to Us at the time of notification of the claim.

Where the separate interests of more than one Co-Insured in the Property Insured are insured under this Policy, any act or neglect of one Co-Insured will not prejudice the rights of the remaining Co-Insured provided that the remaining Co-Insured shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of Damage has increased, give notice in writing to Us and shall on demand pay such reasonable additional premium as We may require.

GOVERNING LAW

This Policy is governed by the laws of Australia and this Policy and any person's rights under this Policy will be read subject to these laws as they apply at the time of any claim or exercise of any right under this Policy.

EARTHQUAKE

For the purpose of the application of any Excess, all loss destruction or damage resulting from earthquake occurring during each period of seventy two (72) consecutive hours shall be considered as one event whether such earthquake is continuous or sporadic in its sweep and/or scope and the loss, destruction or damage was due to the same seismological conditions. Each event shall be considered to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous event.

AVERAGE/UNDERINSURANCE

You are required to insure for full value calculated in accordance with the Basis of Settlement Clause as applicable, at the commencement of the Period of Insurance and in relation to any Property Insured acquired after the commencement of the Period of Insurance as at the time of acquisition of that property.

Unless specified elsewhere in this Policy, in the event of a claim, the amount payable under this Policy shall be the proportion that Your declaration at the time of the commencement of the Period of Insurance for the value of all Property Insured at the Situation to which the Damaged item or items belong, bears to 85% of the value of all such property as at the time of the commencement of the Period of Insurance calculated in accordance with the Basis of Settlement clause.

This Condition shall not apply if the amount of the Damage does not exceed 5% of the amount of Your declaration of value for that Situation.

PAIR, SET OR PARTS

Unless specified elsewhere in this Policy on the happening of any Damage to:

- (i) any item or items which are a part of a pair or set, the measure of such Damage shall be a reasonable and fair proportion of the total value of that pair or set giving consideration to the importance of such item or items;
- (ii) any part of any Property Insured consisting, when complete for use, of several parts, We shall only be liable for the value of the part Damaged.

TRANSITS

Where coverage for Transit is provided under the Policy, You must ensure that the Property Insured is packed, unpacked and secured by competent professional packers. We will not be liable for Damage from vehicles left unattended by You, Your servants or agents during transits.

INSPECTION AND SURVEYS

We have the right but are not obligated to:

- (i) make inspections and surveys at any reasonable time upon Our requests;
- (ii) give You reports on the conditions found; and
- (iii) recommend changes.

CIVIL AUTHORITY

Notwithstanding anything contained in this Policy, it is understood and agreed that Property Insured is also covered against Damage caused by civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by war, invasion, revolution, rebellion, insurrection or other hostilities or war-like operations.

HEADINGS

The headings in this Policy are included for reference only. The terms and Conditions and Exclusions are not to be interpreted by reference to the headings.

ENDORSEMENTS

Notwithstanding anything contained in this Policy to the contrary, it is hereby declared and agreed that the following endorsements are made to the Policy.

1. Cover

Territorial Limits

The wording under the heading "Territorial Limits" is deleted in its entirety and replaced by the following:

"This Policy provides coverage for Property Insured while at the Situation or Situations specified in the Schedule or elsewhere on exhibition or in Transit, anywhere in the World".

2. Conditions

Subrogation Waiver

The wording under the heading "Waiver of Subrogation" is deleted in its entirety and replaced by the following:

We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against:

- (i) any Co-Insured (including its directors, officers, and employees);
- (ii) any corporation or entity (including its directors, officers and employees) owned or controlled by You or against any co-owner of the Property Insured;
- (iii) any immediate family member of the directors of Yours.

You may without prejudicing its position under this Policy:

- (i) release any statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so;
- (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
- (iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

TRANSITS

The wording under the heading "Transits" is deleted in its entirety and replaced by the following:

- (i) Where coverage for Transit is provided under the Policy, You must ensure that the Insured Property is packed, unpacked and secured by competent professional packers. In the event of unprofessional packers being used, the Transit coverage will be restricted to the perils of fire, flood, collision and overturning of vehicles.
- (ii) We will not be liable for Damage from vehicles left unattended by You, Your servants or agents during transit.

In all other aspects, the Policy remains unaltered.