

**PRODUCT INFORMATION SHEET (PART A), CONSUMER INFORMATION (PART B)
PANTAENIUS YACHT HULL CLAUSES PYHC (PART C) 0608**

PART A: PRODUCT INFORMATION SHEET FOR YACHT HULL INSURANCE

The following information is intended to provide you with an initial overview of yacht hull insurance. However, this information is **not exhaustive**. The contract is made up of the application, the insurance policy and the accompanying conditions of insurance. The regulations set out in these documents are material to the insurance cover. Please therefore ensure that you read through the entire policy provisions thoroughly.

1. Which insurance contract are we offering?

In the present case, we are offering you a hull insurance policy for the named yacht.

2. For what does your Pantaenius Yacht Hull Insurance provide benefit?

The insurance covers damage to the named yacht, its machinery, apparatus, fixtures and fittings, dinghies as well as personal effects. The cover is effective within the cruising area specified in the policy and includes any customary stay out of the water, e. g. at winter storage or shipyards including hauling out and launching. Money, valuables and jewellery, food and luxury items are some of the items which are not insured. Please refer to §§ 1 - 3 of the PYHC for the exact scope of insurance.

In the case of a claim, the agreed fixed rate will be paid; for partial damage the necessary replacement costs without deductions on a "new for old" basis will be compensated. Please refer to §§ 9 and 10 of the PYHC for more details.

3. How much is the premium and when do you have to pay it?

Please refer to your application and the insurance policy for the amount of the premium as well as the duration of the contract. The premium is due two weeks after receipt of the insurance policy. Should you culpably fail to pay the premium, the Insurer is then entitled to withdraw from the contract.

4. What is not insured?

Insurance cover does not exist for all possible events. Intentional damage by the policyholder or damage caused by war, for example, are excluded from the insurance cover. Please refer to § 6 of the PYHC for more details regarding the exclusions.

5. What obligations must be complied with when concluding the contract?

In order that we may assess your application properly, please answer all questions in the application and in additional documents fully and correctly. You can find more details about this in specific correspondence relating to your pre-contractual duty of disclosure forming the basis of the application.

6. What must be observed during the duration of the insurance contract?

The insurance contract may have to be adapted in the event of a change of circumstances (increased risk), about which we have made enquiries in the application or further correspondence. You must therefore inform us of any such changes. This applies, for example, if changes occur in relation to the cruising area or the machinery.

7. What obligations must be observed in the case of a claim?

In the case of a claim, you are subject to certain obligations with which you must comply in order to prevent any release from obligation to perform. These obligations can be found in § 11 of the PYHC.

8. What are the consequences if you fail to observe points 5-7?

You must observe the obligations referred at figures 5 to 7 with care, as they are of great importance for the implementation of

the insurance contract. If you fail to comply with the contractual obligations there may be serious consequences, depending on the nature of the breach of duty. You could lose your insurance cover partially or even totally, or the Insurer could be entitled to withdraw from the insurance contract. Please refer to the insurance conditions for more details.

9. How long does your insurance contract last? How can it be terminated?

The duration of the contract is set out in the insurance policy. You may terminate the contract in writing no later than three months before the renewal date. There is also an opportunity to terminate in the case of a claim. The contract will also come to an end if you dispose the yacht or suffer total loss.

PART B: CONSUMER INFORMATION

1. Risk carrier

The risk carrier is essentially a consortium of several insurers. The exact involvement of the insurers participating in this contract, their address for service, companies register number and further information can be found in the quotation and the annexed address sheet of insurers for whom Pantaenius GmbH & Co. KG acts.

2. Information about Pantaenius GmbH & Co. KG

Pantaenius GmbH & Co. KG
Großer Grasbrook 10, D-20457 Hamburg (HRA 72656)
Shareholder with personal liability:
Harald Baum GmbH Hamburg (HRB 63869)
Managing directors: Harald Baum, Martin Baum

Insurance Broker Information

Pantaenius acts as a 'bonded insurance agent' according § 34d para. 1 German Trade, Commerce and Industry Regulation Act for pools of insurers regarding the following insurance classes: Yacht Hull, Yacht Third-Party Liability, Yacht Personal Accident and for one Yacht Legal Expenses insurer. Pantaenius' activity corresponds to this of an 'underwriting agent' who is given wide-ranging authority by insurers. Yacht owners can therefore be confident that all statements made to Pantaenius are treated as having been received by the insurers. The same applies to premium payments made to Pantaenius. Pantaenius offers everything on a professional basis - from the conclusion of a contract to claims payment.

Insurance Broker Register

According to legal requirements Pantaenius' entry into the insurance broker register is made in the name of Harald Baum GmbH, the partner of Pantaenius GmbH & Co. KG having unlimited liability. You will therefore find the entry in the insurance broker register under the name of Harald Baum GmbH, as an insurance agent under § 34d German Trade, Commerce and Industry Regulation Act. The registration number is D-57B1-CBTDS-70.

All insurance brokers' entries could be verified at:
Deutscher Industrie- und Handelskammertag (DIHK) e. V.
[German Chambers of Industry and Commerce]
Breite Strasse 29, 10178 Berlin

Tel: 0180 500 5850 (14 eurocents per minute from German landlines, with different pricing for calls made from mobile networks), or by visiting www.vermittlerregister.info.

Information and Market Principles

With over a hundred years of experience, Pantaenius not only designs its own insurance concepts, but offers a diversity of yacht insurance products in co-operation with single insurers or

pools of insurers. Each pool is brought together on selection of appropriate insurers following close market observation.

Pantaenius has a reputation for innovation, and its specialists are constantly devising new yacht insurance terms and conditions and customising existing conditions as appropriate to developments within the market. Our products are suitable for owners of private and pleasure yachts.

We should like to point out that Pantaenius offers a limited range of insurance products and insurer pools that are exclusively arranged by Pantaenius.

3. Fundamental features of the insurance

For the fundamental features of the insurance for which you have applied (e.g., the type, scope, commencement of the insurance cover and payment date of the premium), please refer to the product information sheet, the application, the insurance policy, the conditions and also this consumer information sheet.

4. Total price of the insurance

The amount of the premium (including a fee of EUR 2.50 plus applicable current taxes) can be found in the quotation as well as in your application.

5. Payment / performance, conclusion of the contract

The contract is legally in force when the insurance policy is sent to you. Cover commences on the date stated in the policy. Premiums are due two weeks after receipt of the policy. If you do not authorise us to collect the premium by direct debit, you must send payment within that time.

6. Period of validity

We are bound by the terms and conditions communicated to you in the quotation for a period of three months from the date you receive the documents.

7. Cancellation policy

Under § 7 para. 2 of the Insurance Contract Act (VVG) you have the right to cancel the contract of insurance without stating any reason. This right must be exercised in writing within two weeks after receiving the insurance policy, clauses including the general insurance conditions and the contractual information as well as this instruction in writing. This period will be deemed to be observed if the cancellation is sent in a timely manner. The cancellation is to be sent to:

The Pantaenius GmbH & Co. KG,
Postfach 11 07 29, 20407 Hamburg.

In the event of a valid cancellation, your insurance cover comes to an end and you will be reimbursed with the portion of your premium relating to the period after the receipt of the cancellation.

The portion of your premium relating to the period before the receipt of the cancellation may be retained if you have agreed that the insurance cover commences before the expiry of the cancellation period. If you have not given such agreement or if the insurance cover commences after the expiry of the cancellation period, benefits received by both parties are to be returned.

Your right of cancellation is excluded if the contract has been completely fulfilled on both parties upon your express request before you have exercised your right of cancellation. There is no right of cancellation for contracts with a duration of less than one month.

8. Duration of the contract

The insurance contract will be concluded for a period of one year and will be automatically renewed for a further year unless notice of cancellation is given in writing at least three months prior to the renewal date.

9. Right of termination

Please refer to the insurance conditions for the provisions relating to the right of termination.

10. Applicable law

The law of the Federal Republic of Germany shall apply to the insurance contract.

11. Contract language

The contract language is English. Any communication shall take place exclusively in the English language.

12. Alternative dispute resolution

In the event that there is a difference of opinion between you and Pantaenius or between you and the Insurers' underwriting the Pantaenius products, you may call upon the service of the following body:

Versicherungsombudsmann e.V. [the Insurance Ombudsman]
Postfach 080622, 10006 Berlin
www.versicherungsombudsmann.de

The process is free of charge for you. The ombudsman's decisions are binding on the insurer up to a dispute value of EUR 5,000.00. Your right to commence legal proceedings remains unaffected by this process.

13. Disputes with the supervisory authority

You may also refer disputes, free of charge, to the responsible supervisory authority Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Str. 108, 53117 Bonn.

PANTAENIUS-YACHT-HULL-CLAUSES (PYHC)
21001/0109

§ 1 INSURED PROPERTY

Insured is the vessel designated in the policy, her components and equipment, including machinery and dinghies, fixtures and fittings, accessories and personal effects.

§ 2 SCOPE OF COVER

1. The insurance is effective within the cruising area specified in the policy. The cover also includes any customary stay out of the water, e. g. at winter storage or shipyards including hauling out and launching. Occasionally leaving the cruising area, shall be deemed to have been notified and is therefore covered. However, it must be reported as soon as practicable to the Insurer for possible charge of an additional premium.

2. Transports are covered as per § 4.

§ 3 INSURED RISKS

1. The insurance covers loss of or damage to the insured property arising out of stranding, inrush of water, sinking, grounding as well as breakage, bending or distortion of masts, booms and spars, and tearing of standing or running rigging, accident, fire, scorching, smouldering, short-circuit, lightning, explosion, Acts of God (force majeure), burglary, robbery, piracy, theft of the vessel, malicious acts (e. g. vandalism) and collision with any fixed or floating object. If, due to imminent danger to life or critical physical health, the vessel has to be abandoned and is not recovered within three months, the loss will also be regarded as sinking.

2. The insurance also covers theft of objects properly secured on deck or fastly attached to the vessel. Theft of outboard motors is covered provided they are fastened to the vessel with a suitable antitheft device.

3. If specifically agreed in advance that the vessel may be chartered (bareboat charter or skipper charter), the risk of misappropriation and fraud is also covered.

§ 4 TRANSPORTATION RISKS

1. Land transports, as well as river and ferry transports of the vessel on a trailer, are covered within Europe, or within the wider cruising area specified in the policy, provided that the means of transportation is suitable and the insured property is properly loaded and secured. Loose objects are covered against theft provided that they are locked in a storage compartment or otherwise suitably secured.

Sea and air transports of insured property, excluding however the vessel herself and personal effects, are covered worldwide.

2. Insurance coverage for all other transportation risks must be specifically agreed in advance by the Insurer.

§ 5 COSTS AND EXPENSES

1. The Insurer will reimburse reasonable salvage costs as well as other expenses incurred by the Insured to avoid or reduce a claim (§ 11 2.), regardless if the measures taken were successful or not. Furthermore, reasonable wreck removal and disposal costs are covered.

2. This reimbursement of expenses also applies for assistance in emergency situations where the insured vessel is in no immediate danger in accordance with § 3, for towage to the nearest place of repair as well as the delivery of fuel, oil, batteries and spare parts (except the costs of the materials or parts themselves) provided other assistance cannot be obtained. Unless otherwise agreed, these costs are limited to a maximum of EUR 5,000.00.

3. Coverage is provided for the necessary costs of inspecting the vessel after grounding.

4. The above defined reimbursements according to § 5 are in addition to any payment under this policy for loss of or damage to the insured property. The deductible as per § 8 does not apply to those costs and expenses.

§ 6 EXCLUSIONS

The insurance does not cover:

a) Loss or damage sustained whilst the vessel is used other than for sport or pleasure (including business entertainment), unless such other use (e. g. bare-boat charter/skipper charter) is specifically agreed in advance by the Insurer.

b) Loss or damage arising out of faulty construction, faulty manufacture, faulty materials or normal wear and tear. This exclusion applies only to the defective part(s); loss or damage to the other parts of the insured objects caused by fault or normal wear and tear are insured within the framework of these conditions.

c) Loss or damage caused by
- war, civil war or warlike occurrences as well as the presence of any kind of weapons of war brought about by war, civil war or warlike occurrences,
- hostile use of weapons of war, no matter if the use may be coherent with war, civil war or warlike occurrences,
- use of chemical, biological, bio-chemical substances or electromagnetic waves as weapons as well as use of any kind of electronic systems as a means for inflicting harm,
- terrorist and political acts of violence irrespective of the quantity of persons involved,
- riot, civil commotions, strike, lockout and labour disturbances,
- seizure, restraint or any other intervention by or under the order of the government.

d) Loss or damage, of what kind so ever, caused by nuclear energy inclusive of the radio-active radiation resulting from nuclear fission and/or fusion; this exclusion applies unrestricted, when the nuclear energy is used as a means for peaceable aims or for war or other hostile purposes,

e) consequential loss or damages (e.g. reduced racing performance, depreciation, loss of use, loss of income),

f) cash, valuables, jewellery,

g) fine art objects and antiques exceeding EUR 3,000.00 per item.

§ 7 CAUSING THE INSURED EVENT

The Insurer shall not be obliged to make any payment if the Insured Party wilfully induces the insured event. If the insured event occurs as a result of gross negligence, the Insurer shall be entitled to reduce the amount paid out according to the degree of negligence.

§ 8 DEDUCTIBLE

The deductible stated in the policy will apply to every claim, except in the case of total loss, burglary, loss or damage due to fire, lightning, loss or damage to personal effects, loss or damage during transports as defined in § 4.1 and any loss or damage solely attributable to the negligence of a third party colliding with the insured vessel while it is stationary.

§ 9 AGREED FIXED VALUE

1. The maximum insurable value is the current new replacement value (the actual costs of replacing insured property with new objects of the same kind and quality).

The value specified in the policy (sum insured) is conclusive of the insurable value (agreed fixed value).
2. The Insurer cannot argue under-insurance.

§ 10 AMOUNT OF INDEMNITY

1. In the event of an actual total loss or constructive total loss (costs of reinstatement exceed the sum insured) the sum insured according to § 9 will be paid.

2. Claims for partial loss or damage will be settled on the basis of the necessary costs of repair or replacement without any deduction "new for old". The costs of transporting the vessel to and from the repair yard will be reimbursed like costs of repair.

Unless otherwise specified in the policy, the maximum indemnity for personal effects is 2 % of the sum insured, up to a maximum of EUR 3,000.00.

3. The Insurer is entitled to deduct from any claim settlement under § 10.1 and § 10.2 the realisable value of any remaining items. The Insured cannot avoid this deduction by placing these remaining items at the disposal of the Insurer.

§ 11 OBLIGATIONS IN THE CASE OF AN INSURED EVENT

1. The Insured is obliged to notify the Insurer without delay of every loss of or damage to the insured property. In the case of fire, explosion, theft, burglary, vandalism, robbery, piracy, and in the case of section 3 (3), in the event of embezzlement and fraud a statement must be filed at the nearest police station without delay.

2. The Insured is obliged to take all such measures considered appropriate and reasonable to avoid or reduce the claim and to comply with any instructions given by the Insurer.

3. The Insured is obliged to provide the Insurer with detailed and true reports regarding the circumstances of the insured event. Upon demand, the Insured is further obliged to provide the Insurer with any information which the Insurer deems necessary to clarify the merits of the claim and the extent of his obligation to perform.

4. If one of the obligations in § 11.1 - § 11.3 is infringed, the Insurer, in keeping with legal provisions, particularly § 28 and § 82 of the German Insurance Act (VVG), is relieved of any obligation to perform.

§ 12 CLAIM SETTLEMENT

1. The Insurer will proceed without delay with all necessary inquiries to clarify the merits of the claim and the extent of his obligation to perform.

2. In the event of theft, as well as in the case of section 3 (3) in the event of embezzlement and fraud, the Insurer is not obliged to settle claims until two months have elapsed from the date of notification. If any item is recovered, the Insured is obliged to take it back only if the period between the date the claim was notified and the date the Insured is in possession of the recovered item does not exceed two months.

3. If, in the context of a claim, any legal authorities commence an investigation and/or prosecution against the Insured, the Insurer is entitled to await the outcome before determining his obligation to perform.

§ 13 INCEPTION OF COVER

The insurance coverage begins at the day and hour stated in the policy. The rule that the Insurer is not liable for any claims under the contract prior to payment of the first premium as defined in § 37.2 of the German Insurance Act (VVG) does not apply.

§ 14 DURATION OF THE CONTRACT, CANCELLATION

1. This contract is effective for one year and is automatically renewed annually unless notice of

cancellation has been given in writing by either party at least three months prior to the renewal date.

2. If the vessel is transferred to new ownership, this contract will terminate on the date of transfer. The Insured will immediately prove the actual date of transfer, enclosing a copy of the contract of sale, so that any refund of premium may be calculated. The new owner, insofar as he does not object, is granted provisional cover under the terms and conditions of this contract for a period of one month following the date of transfer. The purchase price stated in the contract of sale or the sum insured stated in the policy, whichever is the lower, will be the agreed fixed value during the period of provisional cover.

§ 15 NOTICES, DECLARATORY ACTS

All statements and declaratory acts for the Insurer made by the Insured within the framework of this contract are deemed legally executed when made to Pantaenius GmbH & Co KG.

§ 16 GENERAL CONDITIONS

1. Payments by the Insurer and Insured will be made in the currency of the sum insured and premium noted in the policy.

2. German law applies.

3. The benefits under this contract may not be assigned to third parties without the Insurer's express agreement.

4. If the contract is placed with more than one Insurer, each Insurer is liable only for his share, i.e. there shall be no joint liability. Any agreement between the Leading Insurer and the Insured is binding for all other participating Insurers. Upon request, Pantaenius GmbH & Co. KG will provide the Insured with the names and shares of the participating Insurers in writing.

5. In addition the contract is governed by the German Insurance Act (VVG).

PRODUCT INFORMATION SHEET (PART A), CONSUMER INFORMATION (PART B) PANTAENIUS YACHT THIRD-PARTY LIABILITY CLAUSES PYTPC (PART C) 0608

PART A: PRODUCT INFORMATION SHEET FOR YACHT THIRD-PARTY LIABILITY INSURANCE

The following information is intended to provide you with an initial overview of third-party liability insurance. However, this information is **not exhaustive**. The contract is made up of the application, the insurance policy and the accompanying conditions of insurance. The regulations set out in these documents are material to the insurance cover. Please therefore ensure that you read through the entire policy provisions thoroughly.

1. Which insurance contract are we offering?

In the present case, we are offering you a yacht third-party liability insurance for the named yacht.

2. For what does your Pantaenius Yacht Third-Party Liability Insurance provide benefit?

Insurance cover exists for you as the policyholder as well as for the jointly insured persons in the event that a third-party makes a claim against you for damages based on statutory liability provisions as a result of an event causing damage occurring in connection with the ownership or use of the named yacht. The insurance cover also extends to dinghies belonging to the yacht and water sport equipment and also includes a skipper liability insurance.

Please refer to § 1 of the PYTPC for further details.

3. How much is the premium and when do you have to pay it?

Please refer to your application and the insurance policy for the amount of the premium as well as the duration of the contract. The premium is due two weeks after receipt of the insurance policy. Should you culpably fail to pay the premium, the Insurer is then entitled to withdraw from the contract.

4. What is not insured?

Insurance cover does not exist for all possible events. Intentional damage by the policyholder or damage caused by motorboat racing, for example, is excluded from the insurance cover. Please refer to § 4 of the PYTPC for more details regarding the exclusions.

5. What obligations must be complied with when concluding the contract?

In order that we may assess your application properly, please answer all questions in the application and in additional documents fully and correctly. You can find more details about this in specific correspondence relating to your pre-contractual duty of disclosure forming the basis of the application.

6. What must be observed during the duration of the insurance contract?

The insurance contract may have to be adapted in the event of a change of circumstances (increased risk), about which we have made enquiries in the application or further correspondence. You must therefore inform us of any such changes. This applies, for example, if changes occur in relation to the cruising area or the machinery.

7. What obligations must be observed in the case of a claim?

In the case of a claim, you are subject to certain obligations with which you must comply in order to prevent any release from obligation to perform. These obligations can be found in § 6 of the PYTPC.

8. What are the consequences if you fail to observe points 5-7?

You must observe the obligations set out at figures 5 to 7 with care, as they are of great importance for the implementation of the insurance contract. If you fail to comply with the contractual

obligations there may be serious consequences, depending on the nature of the breach of duty. You could lose your insurance cover partially or even totally, or the Insurer could be entitled to withdraw from the insurance contract. Please refer to the insurance conditions for more details.

9. How long does your insurance contract last? How can it be terminated?

The duration of the contract is set out in the insurance policy. You may terminate the contract in writing no later than three months before the renewal date. There is also an opportunity to terminate in the case of a claim. The contract will also come to an end if you dispose of the yacht or suffer total loss.

PART B: CONSUMER INFORMATION

1. Risk carrier

The risk carrier is essentially a consortium of several insurers. The exact involvement of the Insurers participating in this contract, their address for service, companies register number and further information can be found in the quotation and the annexed address sheet of insurers for whom Pantaenius GmbH & Co. KG acts.

2. Information about Pantaenius GmbH & Co. KG

Pantaenius GmbH & Co. KG
Großer Grasbrook 10, D-20457 Hamburg (HRA 72656)
Shareholder with personal liability:
Harald Baum GmbH Hamburg (HRB 63869)
Managing directors: Harald Baum, Martin Baum

Insurance Broker Information

Pantaenius acts as a 'bonded insurance agent' according to § 34d para. 1 German Trade, Commerce and Industry Regulation Act for pools of insurers regarding the following insurance classes: Yacht Hull, Yacht Third-Party Liability, Yacht Personal Accident and for one Yacht Legal Expenses insurer. Pantaenius' activity corresponds to this of an 'underwriting agent' who is given wide-ranging authority by insurers. Yacht owners can therefore be confident that all statements made to Pantaenius are treated as having been received by the insurers. The same applies to premium payments made to Pantaenius. Pantaenius offers everything on a professional basis - from the conclusion of a contract to claims payment.

Insurance Broker Register

According to legal requirements Pantaenius' entry into the insurance broker register is made in the name of Harald Baum GmbH, the partner of Pantaenius GmbH & Co. KG having unlimited liability. You will therefore find the entry in the insurance broker register under the name of Harald Baum GmbH, as an insurance agent under § 34d German Trade, Commerce and Industry Regulation Act. The registration number is D-57B1-CBTDS-70.

All insurance brokers' entries could be verified at:

Deutscher Industrie- und Handelskammertag (DIHK) e. V.
[German Chambers of Industry and Commerce]

Breite Strasse 29, 10178 Berlin

Tel: 0180 500 5850 (14 eurocents per minute from German landlines, with different pricing for calls made from mobile networks), or by visiting www.vermittlerregister.info.

Information and Market Principles

With over a hundred years of experience, Pantaenius not only designs its own insurance concepts, but offers a diversity of yacht insurance products in co-operation with single insurers or

pools of insurers. Each pool is brought together on selection of appropriate insurers following close market observation. Pantaeenius has a reputation for innovation, and its specialists are constantly devising new yacht insurance terms and conditions and customising existing conditions as appropriate to developments within the market. Our products are suitable for owners of private and pleasure yachts.

We should like to point out that Pantaeenius offers a limited range of insurance products and insurer pools that are exclusively arranged by Pantaeenius.

3. Fundamental features of the insurance

For the fundamental features of the insurance for which you have applied (e.g., the type, scope, commencement of the insurance cover and payment date of the premium), please refer to the product information sheet, the application, the insurance policy, the conditions and also this consumer information sheet.

4. Total price of the insurance

The amount of the premium (including a fee of EUR 2.50 plus applicable current taxes) can be found in the quotation as well as in your application.

5. Payment / performance, conclusion of the contract

The contract is legally in force when the insurance policy is sent to you. Cover commences on the date stated in the policy. Premiums are due two weeks after receipt of the policy. If you do not authorise us to collect the premium by direct debit, you must send payment within that time.

6. Period of validity

We are bound by the terms and conditions communicated to you in the quotation for a period of three months from the date you receive the documents.

7. Cancellation policy

Under § 7 para. 2 of the Insurance Contract Act (VVG) you have the right to cancel the contract of insurance without stating any reason. This right must be exercised in writing within two weeks after receiving the insurance policy, clauses including the general insurance conditions and the contractual information as well as this instruction in writing. This period will be deemed to be observed if the cancellation is sent in a timely manner. The cancellation is to be sent to:
Pantaeenius GmbH & Co. KG,
Postfach 11 07 29, 20407 Hamburg.

In the event of a valid cancellation, your insurance cover comes to an end and you will be reimbursed with the portion of your premium relating to the period after the receipt of the cancellation.

The portion of your premium relating to the period before the receipt of the cancellation may be retained if you have agreed that the insurance cover commences before the expiry of the cancellation period. If you have not given such agreement or if the insurance cover commences after the expiry of the cancellation period, benefits received by both parties are to be returned.

Your right of cancellation is excluded if the contract has been completely fulfilled on both parties upon your express request before you have exercised your right of cancellation. There is no right of cancellation for contracts with a duration of less than one month.

8. Duration of the contract

The insurance contract will be concluded for a period of one year and will be automatically renewed for a further year unless notice of cancellation is given in writing at least three months prior to the renewal date.

9. Right of termination

Please refer to the insurance conditions for the provisions relating to the right of termination.

10. Applicable law

The law of the Federal Republic of Germany shall apply to the insurance contract.

11. Contract language

The contract language is English. Any communication shall take place exclusively in the English language.

12. Alternative dispute resolution

In the event that there is a difference of opinion between you and Pantaeenius or between you and the Insurers' underwriting the Pantaeenius products, you may call upon the service of the following body:

Versicherungsombudsmann e.V. [the Insurance Ombudsman]
Postfach 080622, 10006 Berlin
www.versicherungsombudsmann.de

The process is free of charge for you. The ombudsman's decisions are binding on the Insurer up to a dispute value of EUR 5,000.00. Your right to commence legal proceedings remains unaffected by this process.

13. Disputes with the supervisory authority

You may also refer disputes, free of charge, to the responsible supervisory authority Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Str. 108, 53117 Bonn.

PANTAENIUS-YACHT-THIRD-PARTY-LIABILITY-CLAUSES (PYTPC)

21017/0109

§ 1 Cover

I. Basic Cover

1. a) The Insurer grants coverage to the Insured and to the co-insured persons in the event that a third party asserts a legal liability claim for personal injury, property or pecuniary damages incurred in the context of the ownership and use of the vessel designated in the policy. This insurance particularly includes: legal liability arising out of the ownership or use of tenders, water sport and diving equipment used in connection with the vessel, legal liability arising from the towing of water-skiers and parasailors, legal liability for the direct or indirect consequences of alterations in the physical, chemical or biological quality of waters including ground water (water pollution), whereby pecuniary damages resulting from water pollution are deemed to be property damages, legal liability for damages to contractors and workers incurred whilst carrying out work on the vessel.

b) The insurance policy also covers statutory liability as occupier, owner or policy holder of the named trailers/ launching trolleys not subject to compulsory insurance, as long as such trailers / launching trolleys are not connected to a towing vehicle. This extension of cover applies as long as no other insurance coverage exists elsewhere.

c) Insurance coverage also exists for search and rescue costs which accrue as a result of the unintentional activation of emergency rescue devices such as EPIRB or GMDSS when there is no emergency situation as long as these costs cannot be recovered elsewhere.

2. Co-insured persons are:

- a) the owner (if not the Insured),
- b) the skipper and crew members, as well as any other person who is a guest on board of the vessel with the consent of the owner or Insured.
- c) any person who with the consent of the owner or Insured uses, in connection with the vessel, a tender, water sport or diving equipment belonging to the vessel,
- d) water-skiers and parasailors being towed by the vessel or her tenders; this coverage, however, will only apply as far as this risk is not covered by another insurance (subsidiary coverage).

II. Additional Skipper`s Liability Insurance

1. Insurance cover under I. No. 1 is also provided to the Insured, being a natural person, and to the members of his crew as co-insured persons, for legal liability arising from the use of any vessel, including tenders, not listed in this policy which the Insured has chartered or borrowed for his own use and which is under his command as a skipper (skipper`s liability insurance).

2. The skipper`s liability insurance will also provide cover for legal liability arising from damage to the chartered or borrowed vessel, its equipment, inventory and accessories directly resulting from the gross negligence of the Insured or co-insured person. The excess in this respect will be EUR 2,500.--.

3. This skipper`s liability insurance will provide compensation only to the extent that the loss, damage or liability is not covered by any other insurance, and in particular any insurance attaching to the chartered or borrowed vessel (subsidiarity of skipper`s liability cover).

§ 2 Scope of Cover

The insurance is effective world-wide.

§ 3 Extent of Cover

1. The Insurer's obligations shall include evaluating the cause of liability, defending against unjustified claims and settling claims where damages have been determined by a

legally enforceable court decision, by a settlement agreement entered into or approved by the Insurer or by an admission given or approved by the Insurer.

2. The Insurer is authorised to settle and/ or defend claims as defined in § 3.1 on behalf of the Insured or co-insured persons. If the insured person prevents the termination of a liability claim dispute which the Insurer wants to settle by means of acknowledgement, payment or compromise, the Insurer is not liable for the resulting additional expenditure concerning the main issue, interests and costs.

3. The maximum compensatory payment granted by the Insurer for each claim event are the sums insured noted in the policy. A series of claims arising out of one cause and time period is deemed to be one claim event. The Insurer's expenditure for costs, including costs and expenses for avoiding or reducing the claim, will not be deducted as compensatory payment from the sums insured. The total amount of compensatory payment for all claim events in any one policy year is limited to twice the sums insured noted in the policy.

4. The following special provision applies to all liability claims which are asserted under American or Canadian law, irrespective of the place of jurisdiction: Instead of the sums insured noted in the policy, the following sums insured apply:

Personal injury and/or

property damages: USD 5,000,000.--

Pecuniary damages: USD 50,000.--

If expressly agreed in advance, the special sums insured noted above can be increased. In such a case, however, contrary to § 3.3, the Insurer's expenditure for costs will be deducted as compensatory payment from the agreed sums insured, even if such costs are incurred due to Insurer's instructions.

5. In the event that the named vessel is arrested as a result of a claim insured under these conditions, the obligation to provide indemnification also extends to the provision of an officially or judicially determined security deposit up to an amount of EUR 100,000.00.

6. a) Insurance coverage also exists in the event that an insured person is harmed by a third party and the claim for damages against the third party arising as a result cannot be asserted. A third party in the sense of these conditions is the person causing damage against whom, according to the legally enforceable judgment, a claim was brought by the policy holder or insured person for compensation as a result of a liability loss.

b) The content and extent of the insured claim for compensation are in accordance with the scope of cover provided by this contract. If the policy holder or jointly insured person has justified claims for compensation, then the contract puts him in a position as if the third party had insurance coverage as the insured person within the scope of these conditions.

c) Insurance coverage exists for personal injury and property damage suffered by the insured person for which the third party is liable to pay compensation according to private law statutory provisions.

d) No insurance coverage exists for damage which is intentionally caused by the third party, damage under EUR 1,000.00 and if and insofar as another insurer (e.g. indemnity or social insurance) or welfare authority is under a duty to provide benefits.

e) It is a precondition for the indemnity that the insured person has obtained either a legally enforceable judgment against the third party before a Court (judgment, execution order, judicial settlement) or a notarial acknowledgement of debt by the third party.

f) The insured person must establish that an execution has failed or appears to have no prospects of success. The execution has failed if it has not led to a full and final settlement and has no prospects of success if the third party e.g. has submitted a statutory declaration within the previous three years or is listed in the schedule of debtors managed by the court of execution.

g) The insured person is under a duty to assign his claims in the amount of the indemnity against the third party as well as to surrender the original judgment or execution documents and other documents giving rise to an insured event within the sense of these conditions.

h) The third party may derive no rights from this contract.

§ 4 Exclusions

Excluded from the insurance are:

1. Liability claims if, at the time of the event giving rise to liability, the vessel is used other than for sport or pleasure (including business entertainment), unless such other use (e.g. bareboat charter /skipper charter) is specifically agreed in advance by the Insurer.

2. Liability claims if, at the time of the event giving rise to liability, the vessel is

a) operated by a person who does not possess the necessary license required by the relevant authorities, whereby the Insurer's duty towards the other insured persons continues if the Insured or owner had reasonable grounds to believe that the operator of the vessel had the relevant license or if an unauthorised person operated the vessel,

b) participating in or training for motor boat races which are solely concerned with achieving high speeds.

3. Liability claims arising from the use of diving equipment, if the person using such equipment is not in possession of a license.

4. Liability claims of the Insured or owner against co-insured persons.

5. Liability claims between co-insured persons for property damage less than EUR 150.--. The same applies to liability claims asserted by co-insured persons against the Insured or owner.

6. Liability claims assumed under contract or special promise which surpass the extent of legal liability.

7. Liability claims for compensation of a penalty nature, particularly Punitive Damages.

8. Liability claims, particularly arising from occupational accidents, made by professional crew members employed on the vessel against the Insured or owner. However, legal rights of recourse on the part of social insurance institutions are covered in compliance with these terms and conditions.

9. Liability claims arising from water pollution as defined in § 1 I. No. 1, if such water pollution is caused by the emission or discharge of harmful substances into waters or any other deliberate actions affecting waters, the dripping or draining of oil or other liquids from tank filler-caps, filling gears or the vessel's and tender's machinery during their operation, the intentional contravention of water protection laws, regulations or official directives, as well as war, civil commotion or disturbances, acts decreed by public authorities or earthquake.

10. Claims by all persons who have intentionally and unlawfully caused the third party's loss.

§ 5 Legal Status of the Persons Participating in the Contract

1. Only the Insured is entitled to exercise the rights of the co-insured persons.

2. The obligations of the Insured defined in these clauses also apply equally to the co-insured persons (§ 1 I No. 2). The Insured as well as the co-insured persons are responsible for fulfilling the obligations.

§ 6 Obligations in the Case of an Insured Event

1. An insured event is an occurrence which could result in a liability claim covered under this contract.

2. The Insured is obliged to notify the Insurer without delay of every insured event.

3. The Insured is obliged to take all such measures considered appropriate and reasonable to avoid or reduce the claim and to comply with any instructions given by the Insurer.

4. The Insured is obliged to provide the Insurer with detailed and true reports regarding the circumstances of the insured event. Upon demand, the Insured is further obliged to provide the Insurer with any information which the Insurer deems necessary to clarify the merits of the claim and the extent of his obligation to perform.

5. In the case of litigation regarding the liability claim, the Insured is obliged to entrust the Insurer with the conduct of the case.

6. If one of the obligations defined in No. 2 – No. 5 is infringed, the Insurer, in keeping with legal provisions, particularly § 28 and § 82 of the German Insurance Act (VVG), is relieved of any obligation to perform.

§ 7 Inception of Cover

The insurance coverage begins at the day and hour stated in the policy. The rule that the Insurer is not liable for any claims under the contract prior to payment of the first premium as defined in § 37.2 of the German Insurance Act (VVG) does not apply.

§ 8 Duration of the Contract, Cancellation

1. This contract is effective for one year and is automatically renewed annually unless notice of cancellation has been given in writing by either party at least three months prior to the renewal date.

2. If the vessel is transferred to new ownership, this contract will terminate on the date of transfer. The Insured will immediately prove the actual date of transfer, enclosing a copy of the contract of sale, so that any refund premium may be calculated. The new owner, insofar as he does not object, is granted provisional cover under the terms and conditions of this contract for a period of one month following the date of transfer.

§ 9 Notices, Declaratory Acts

All statements and declaratory acts for the Insurer made by the Insured and co-insured persons within the framework of this contract are deemed legally executed when made to Pantaenius GmbH & Co. KG.

§10 General Conditions

1. Payments by the Insurer and Insured will be made in the currency of the sum insured and premium noted in the policy. This also applies if the covered liability claim has to be paid to the claimant in another currency.

2. The right to indemnity shall not be assigned or pledged without the Insurers consent. An assignment to the damaged third party is permitted.

3. If the contract is placed with more than one Insurer, each Insurer is liable only for his share, i.e. there shall be no joint liability. Upon request, Pantaenius GmbH & Co. KG will provide the Insured with the names and shares of the participating Insurers in writing. The first Insurer mentioned (Lead Insurer) shall be authorised by the other participating Insurers to act on behalf of all Insurers in the performance of the contract. This authorisation shall also apply in the case of legal proceedings. The Lead Insurer may therefore conduct legal disputes, as claimant or defendant, in its own name in respect of all the shares of the other participating Insurers.

4. This contract is governed by German Law, in particular by the German Insurance Act (VVG).



LAID-UP CLAUSE
- Restricted Cover -
21009/0391

The vessel named in the policy is covered during laid-up periods in accordance with all applicable parts of the Pantaenius Yacht Hull Clauses (PYHC).

The following risks are covered:

Total or partial loss resulting from fire, lightning, explosion, force majeure, theft of the vessel or secured parts thereof.

This clause is an essential part of the insurance contract and takes precedence over the PYHC.

PANTAENIUS CONFISCATION, STRIKE AND WAR CONDITIONS (YACHT HULL) 21006/0108

Due to the supplementary nature of this cover, all other conditions noted in the Pantaenius Yacht Hull Clauses (PYHC) remain valid. However, the deductible stipulated in the Yacht Hull Insurance Contract does not apply.

This insurance provides the Insured with cover for those risks which are excluded under § 6 c of the PYHC.

This insurance provides world-wide cover. The current exclusions to the War and Strike Cover (Part A) are listed in the appendix hereto.

PART A WAR AND STRIKE COVER

1. EXTENT OF COVER (Insured Risks)

This insurance covers loss of or damage to the insured interest through war, civil war or hostilities, the presence or use of mines, torpedoes, bombs or other weapons of war, or as a consequence of rebellion, plunder, acts of political violence, civil unrest, strikes or lock-outs.

2. Exclusions

This policy does not cover:

- a) Loss, damage or expenditure due to seizure, arrest, taking into custody, restraint of liberty, withholding or confiscation by authorities of the owner's country of origin or in which the vessel is registered.
- b) Loss, damage or expenditure due to arrest, restraint of liberty or confinement under quarantine regulations or for reasons of infringement of customs regulations.
- c) Loss, damage or expenditure already covered under the Pantaenius Yacht Hull Insurance policy.
- d) Claims recoverable under any other insurance policy on the vessel, or which would be recoverable under such a policy if this contract did not exist.
- e) Claims for compensation of expenses arising from delays.

3. CANCELLATION AND AUTOMATIC TERMINATION OF COVER

- a) The scope of cover insured under Part A.1. may be cancelled by either the Underwriter or the Insured on giving seven days notice. Notice of cancellation must be given in writing either by letter or fax. The period of notice becomes effective upon receipt of the notification of intention to cancel.

If, according to the information generally available (radio, TV daily newspaper or other media), it is apparent that a crisis is developing and it would be expected that the Underwriters will give notice of cancellation, the Insured must make appropriate arrangements for the receipt of the notice of cancellation.

Whether or not such notice of cancellation has been given, cover hereunder in respect of the risks of war and strike shall terminate automatically:

- I. upon the occurrence of any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion of similar reactions, or radioactive force or matter, wherever or whenever such detonation may occur, whether or not the insured

vessel may be involved, and this insurance excludes loss, damage, liability or expenses arising from such occurrence.

- II. upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: the United Kingdom, the United States of America, France, the Commonwealth of Independent States (CIS), the People's Republic of China, and this insurance excludes loss, damage, liability or expenses arising from such outbreak of war.

- III. in the event of the insured vessel being requisitioned either for title or use, and this insurance excludes loss, damage, liability or expenses arising from such requisition (see PART B-Confiscation Cover).

Cover in respect of the risks of war and strike shall not become effective if, after acceptance of the application by the Insurers but prior to inception of cover, any event has occurred which would have automatically terminated cover under the provisions of this clause.

- b) If this insurance contract expires, either by notice of cancellation or by automatic termination due to the application of PART A of this clause or if the insured vessel is sold, the Insured will receive a pro-rata return of the premium.

PART B CONFISCATION COVER

1. EXTENT OF COVER (INSURED RISKS)

This insurance covers:

Loss of, or damage to, objects insured under this contract, directly caused by seizure, confiscation, misappropriation, expropriation, requisition, deliberate destruction or damage while under order of the State (civil, military or de facto), Public or Municipal Authorities of the countries in which the insured interest is covered under the condition of this policy.

The insured interest is considered a total loss, provided that there is no prospect of recovery of ownership. In respect of seizure, confiscation, misappropriation, expropriation and requisition, this provision is fulfilled if the Insured has been deprived of personal use and free disposal of the insured vessel for a continuous period of 12 months.

2. EXCLUSIONS

Cover is not provided for:

- a) Claims resulting from loss or damage through war, strikes, riots, civil commotion as covered under PART A.
- b) Claims due to loss which occurs through any financial reasons, whether resulting from a court order or otherwise, e.g. through debt or failure to supply sureties or guarantees.
- c) Loss resulting from a claimant's recovery of ownership and/or property via an executory title.
- d) Claims arising from delay, deterioration or loss of sale.
- e) Loss or damage whose occurrence would have been coverable by another existing policy if this

policy had not existed, apart from amounts which exceed the amount which would have been paid under another policy or policies, if this insurance had not been concluded.

3. CONDITIONS PRECEDENT

- a) The Insured undertakes to adhere in every respect to the law of the country (local or otherwise) under whose jurisdiction the insured interest falls.
- b) The Insured guarantees that he has obtained all permits required by law. If loss or damage is incurred due to non-observance of the foregoing obligations, indemnification will not be made for losses normally covered under this policy.
- c) Claims for losses are only covered by this policy subject to preliminary notification in writing as soon as possible of the incidence through which such a loss has occurred, and, after such preliminary notification has been given, subject to the Insured undertaking everything in his power which might reasonably be expected to prevent or reduce the risk of loss, and to safeguard all items covered under this policy.
- d) In the case of claims under the policy, the Insured undertakes to cede to the Insurer the right to institute proceedings against third parties for the recovery of the object in question.

4. GENERAL CONDITIONS

The Insurer agrees to reimburse a loss if a new government comes into power in a country, or if it becomes the official government of the country and that new government, by means of requisition or other law, seizes or expropriates the insured interest, provided the incident falls under the conditions of this policy.

The Insurer confirms and accepts that this government may have come into power by force or armed rebellion.

ANNEX TO PART A OF
PANTAENIUS CONFISCATION, STRIKE AND WAR CONDITIONS (YACHT HULL)
EXCLUSIONS (0109)

THE FOLLOWING COUNTRIES/AREAS ARE CURRENTLY EXCLUDED FROM THE WAR AND STRIKE COVER:

Africa

Djibouti excluding transit

Somalia, including waters out to 250 nautical miles from the eastern Somalia coast south of latitude 10° N Indian Ocean, beyond the eastern Somalia and Gulf of Aden areas out to 600 nautical miles from the coast of eastern Africa, south of latitude 15° N and north of latitude 10° S, but excluding the coastal waters of Kenya and Tanzania up to 12 nautical miles offshore.

Ivory Coast

Nigeria, including all Nigerian offshore installations

Asia

Pakistan

Sri Lanka

Thailand, but only the area of the southern Gulf coast between the ports of Songkhla and Narathiwat inclusive

Eastern Europe

Georgia

Indonesia / Malaysia

The island of Ambon (Seram)

The port of Balikpapan (SE Borneo) including waters out to 25 nautical miles

Borneo, but only the north east coast between the ports of Kudat and Tarakan inclusive

The port of Jakarta

The port of Poso (Sulawesi)

Sumatera (Sumatra), but only the North Eastern coast between 5° 40' N and 0° 48' N, excluding transit

Middle East

Bahrain excluding transit

Gulf of Aden, area as defined below

Iraq, including all Iraqi offshore oil terminals

Israel

Lebanon

Qatar excluding transit

Saudi Arabia excluding transit

Yemen

Philippines,

but only Mindanao, between the ports of Polloc Harbour and Mati inclusive Sulu Archipelago including Jolo, as defined overleaf

Sulu Archipelago

The area enclosed between:

- a) on the Western side, a straight line between Tanjung Bidadari (5°49'•6N, 118°21'•0E) to position 3°32'•0N, 118°57'•0E
- b) on the South Eastern side, a straight line from there to position 5°50'•0N, 122°31'•0E, and thence northwards to position 7°06'•6N, 122°31'•0E
- c) on the Northern side, a straight line from there to Batorampon Point Light (7°06'•6N, 121°53'•8E)
- d) and on the North Western side, a straight line from there back to Tanjung Bidadari

Gulf of Aden

The area enclosed by the following boundaries:

- a) on the West, Longitude 45° E
- b) on the North, Latitude 15° N
- c) on the East, Longitude 57° E
- d) and on the South, Latitude 10° N

Definitions:

•Named Countries shall include their coastal waters up to 12 nautical miles offshore, unless specifically varied above

•Named Ports shall include all facilities/terminals within areas controlled by the relevant port authority/ies (or as may be more precisely defined by Insurers) including offshore terminals/ facilities, and all waters within 12 nautical miles of such but not exceeding 12 nm offshore unless specifically stated.