

PRODUCT INFORMATION SHEET (PART A), CONSUMER INFORMATION (PART B) PANTAENIUS SKIPPER THIRD PARTY LIABILITY CLAUSES PSTPC

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

The following information is intended to provide you with an initial overview of our skipper 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 a skipper third-party liability insurance for any yacht that is used but not owned by you.

2. For what does your Pantaenius Skipper 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 usage of any yacht that is not owned by you but under your command as a skipper. 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 PSTPC 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 PSTPC 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.

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 PSTPC.

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 § 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, max. € 0,42 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 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:

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 SKIPPER THIRD PARTY LIABILITY CLAUSES (PSTPC)

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§ 1 Cover

1. 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 use of any yacht that is under the command of the insured as a skipper and which is not owned by him. This insurance particularly includes: legal liability arising out of the use of tenders, water sport and diving equipment used in connection with the used yacht, 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.
2. Co-insured persons are the crew members.

§ 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. This does not apply to all liability claims which are asserted under U.S. or Canadian law, irrespective of the place of jurisdiction. In this case, the Insurer's expenditure for costs will be deducted as compensatory payment from the agreed sum insured, even if these costs are incurred due to the Insurer's instruction. 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. In the event that the used 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.
5. Liability claims by the charter operator or owner of the used yacht for loss of proven charter revenue of affected follow-on charters as a result of damage caused by the insured person, up to a maximum amount of EUR 20.000,-. This applies to charter contracts which have already been booked and for which a deposit has already been paid at the time of the loss, insofar a transfer to another Yacht is not possible and the repair time takes more than three days.

§ 4 Exclusions

Excluded from the insurance are:

1. Liability claims because of loss or damage to the skippered yacht, its gear, machinery, equipment, fittings and dinghies. However, if such damage is the result of the gross negligence of the insured, which has been established by an authorised agency, a court or agreed by the Insurer, the claim will be accepted, subject to a Policyholder's excess of EUR 2.500,--.
2. Liability claims if, at the time the liability was incurred, the insured was acting as skipper in any capacity from which he derived a commercial benefit, unless previously agreed with the insurer.
3. Liability claims if, at the time of the event giving rise to liability, the used yacht is
 - a) operated by a person who does not possess the necessary license required by the relevant authorities,
 - b) participating in or training for motor boat races which are solely concerned with achieving high speeds.
4. Liability claims arising from the use of diving equipment, if the person using such equipment is not in possession of a license.
5. Liability claims of the Insured against co-insured persons.
6. Liability claims between co-insured persons. The same applies to liability claims asserted by co-insured persons against the Insured for property damage less than EUR 300.--.
7. Liability claims assumed under contract or special promise which surpass the extent of legal liability.
8. Liability claims for compensation of a penalty nature, particularly Punitive Damages.
9. Liability claims arising from water pollution as defined in § 1 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 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

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.

§ 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.

§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 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).

5. 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 vessel that was under command of the insured at the time of the incident (subsidiarity of skipper's liability cover).