

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

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 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
Registration court: County court Hamburg (HRA 72656)
Shareholder with personal liability:
Harald Baum GmbH, based in Hamburg
Registration court: County court Hamburg (HRB 63869)
Managing directors: Harald Baum, Martin Baum, Daniel Baum, Anna 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. 42 eurocents per minute 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.

Mediation body

In the event that you are not entirely satisfied with the service we have provided, you may address your complaint to:

Versicherungsombudsmann e.V. [the Insurance Ombudsman], Postfach 080632, 10006 Berlin; Ombudsmann für private Kranken- und Pflegeversicherung [the Insurance Ombudsman for Private Health Care and Long Term Care Insurance], Kronenstraße 13, 10117 Berlin

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. Notice regarding revocation

Right of revocation

You may revoke your declaration of intention to conclude a contract, without needing to state reasons, by giving written notice (e.g. by letter, fax, email) within 14 days.

The revocation period begins to run upon receipt of written copies of the insurance certificate; the policy terms, including the General Insurance Terms and Conditions; additional information pursuant to Section 7, paras. 1 and 2 of the German Act on Contracts for Insurance (*Versicherungsvertragsgesetz, VVG*) in conjunction with Sections 1-4 of the German Ordinance on VVG Information Obligations (*VVG-Informationspflichtenverordnung*); and these instructions. However, with regard to contracts concluded electronically, this does not apply until the insurer has fulfilled its obligations under Section 312e, para. 1, first sentence of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) in conjunction with Article 246, section 3 of the Introductory Act to the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuche, EGBGB*).

The revocation deadline is complied with if the revocation is sent out in a timely manner. The revocation is to be addressed to:

Pantaenius GmbH und Co. KG, Succursale de Monaco, 34, quai de Jean-Charles Rey, 98000 Monaco

Consequences of revocation

If revocation was validly made, insurance coverage terminates, and you will be reimbursed for that portion of the premium attributable to the period following receipt of the notice of

revocation, provided that you had agreed that insurance coverage was to commence prior to the end of the revocation period.

The portion of the premium attributable to the period up to receipt of the notice of revocation may be retained; this involves an amount calculated as follows: annual premium divided by the number of calendar days in the relevant year, multiplied by the number of days for which insurance coverage was in place.

Amounts repayable are reimbursed without delay and not later than 30 days following receipt of the notice of revocation. If insurance coverage did not commence prior to the end of the revocation period, and if the revocation was validly made, any performance received is to be returned, as are any derived benefits (e.g. interest).

Special notifications

Your right of revocation is void if, at your express instruction, the contract was performed in full both by you and by the insurer prior to your having exercised your right of revocation.

There is no right of revocation for contracts having a term of less than one month.

- End of revocation notice -

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-THIRD-PARTY-LIABILITY-CLAUSES (PYTPC)

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§ 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) 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. 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 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.

5. 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.

§ 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).