

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