

PRODUCT INFORMATION SHEET (PART A), CONSUMER INFORMATION (PART B) PANTAENIUS YACHT TOTAL LOSS CLAUSES PYTLC

PART A: PRODUCT INFORMATION SHEET FOR YACHT TOTAL LOSS INSURANCE

The following information is intended to provide you with an initial overview of total loss 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 total loss insurance policy for the named yacht.

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

The insurance covers the total loss of the named yacht by reason of accident, sinking, fire, lightning, explosion, act of God or theft. Separate total loss cover can also be agreed for outboard motors and trailers. The cover is effective within the cruising area stated in the policy and includes the place where the insured property is normally laid-up and stored out of the water. Partial damage to the yacht is not insured. Please refer to §§ 1 and 2 of the PYTLC for the exact scope of insurance.

In the event of a total loss, the agreed fixed rate will be paid. Please refer to § 6 of the PYTLC 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 § 4 of the PYTLC 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 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 § 8 of the PYTLC.

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
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, Postfach 11 07 29, 20407 Hamburg

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 TOTAL LOSS CLAUSES (PYTLC)

21075/0611

§ 1 Insured risks

1. Total loss of the entire vessel designated in the policy arising out of an accident, sinking, fire, lightning, an explosion, Acts of God (force majeure) or theft. Constructive total loss (the required replacement costs exceed the fixed value, see § 6.1.) is also considered as total loss.

2. For outboard motors and for trailers, separate total loss cover may be justified in the sense of § 1.1. through the agreement upon individual insured values for these items to be specified additionally in the policy.

3. Expenses for salvaging, wreck removal and disposal are also insured given an insurance claim as per § 1.1. or § 1.2. above and beyond the agreed insured values.

§ 2 Transportation

Total loss is insured for land transport and transport of the vessel on a trailer by ferry within Europe provided that the means of transportation was suitable and the vessel was loaded properly.

§ 3 Scope of cover

The insurance is valid for the cruising area specified in the policy. Insurance cover is also provided during any customary periods of time during which the insured property are out of the water (e.g. winter storage, stays in the shipyard) including hauling out and launching.

§ 4 Exclusions

1. The insurance does not cover:

- a.) Damages caused as a result of age, abrasion, deterioration and insufficient maintenance
- b.) Consequential damages, e.g. reduced racing performance, depreciation, loss of use, loss of income
- c.) Damages which occur whilst the vessel is used other than for sport or pleasure (e.g. use of the vessel for bare-boat or skipper charters)
- d.) Damages caused by
 - war, civil war or warlike occurrences as well as by 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 of inflicting harm
 - terrorist and political acts of violence irrespective of the number of persons involved
 - riot, civil commotions, strikes, lock-outs and labour disturbances
 - seizure, restraint or any other intervention by or under the order of the government
- e.) Damages of any kind whatsoever caused by nuclear energy including radioactive radiation resulting from nuclear reactions; this exclusion applies independent of whether the nuclear energy is used for peaceable or hostile purposes.

2. The Insurer shall not be obliged to make any payment if the Insured Party wilfully induces the insured event. If the Insured Party induces the insured event due to gross negligence, the Insurer

shall be entitled to reduce the sum paid out in accordance with the level of the negligence.

§ 5 Deductible

In each damage claim, the Insured shall bear a deductible of 10% of the compensation and also of the reimbursement (§ 1.3.).

§ 6 Insured value/Level of compensation

1. The maximum insured value is the current new replacement value. The value specified in the policy as the fixed value is conclusive of the insured value.

2. The Insurer cannot argue under-insurance.

3. In case of damages the fixed value shall be in accordance with § 6.1. less realisable proceeds from remaining values.

§ 7 Payment of compensation

1. In the case of theft, compensation is due after four months of submitting the damage claim at the earliest. If the item reported stolen is found again, the Insured shall only be obliged to take it back if a period of no more than four months has passed between the damage claim and the items being found again.

2. 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.

§ 8 Obligations in the case of damages

1. The Insured is obliged to report any damage without delay.

2. In the case of damages due to fire or explosions as well as theft, such must be reported to the nearest police station without delay.

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

4. The Insured is obliged to provide the Insurer with detailed and true reports of the damage, and upon request, the Insured is further obliged to provide the Insurer with any information which the Insurer deems necessary to determine the merits of the claim and the extent of his obligation to perform. At the Insurer's request, the Insured shall produce documentation provided the procurement of such is considered reasonable.

5. If one of the obligations specified in § 8.1. to § 8.4. is infringed, the Insurer, in keeping with legal provisions (particularly §§ 28, 82 of the German Insurance Act VVG) is relieved of any obligation to perform.

§ 9 General conditions

1. Insurance cover begins at the point of time stated in the policy.

2. The insurance contract is effective for the period of one year and is automatically renewed annually unless notice of cancellation has been given in writing, at least three months prior to the end of the respective contract year.

3. If the insured items (vessel, outboard motors and trailer) are sold, the insurance contract shall terminate at the time of transfer of ownership. The Insured immediately prove after the transfer of ownership the actual date of transfer, enclosing a copy of the contract of sale, 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 the transfer. The purchase price stated in the contract of sale, which shall not exceed the previous insured value (fixed value), shall be the agreed fixed value during the period of provisional cover.

4. Claims to compensation arising from this insurance contract may not be transferred without the express agreement of the Insurer.

5. All statements and declaratory acts towards the Insurer made by the Insured within the scope of this insurance contract can be legally executed when made to Pantaenius GmbH & Co. KG.

6. 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 will provide the Insured with the names and shares of the participating Insurers in writing.

7. German law applies.

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