

Dodatek č. 1 k pojistné smlouvě č. 400 040 383**Vedoucí
pojistitel:****Allianz pojišťovna, a. s.**

Praha 8, Ke Štvanici 656/3, PSČ 186 00

IČO: 471 15 971

zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl B, vložka 1815

Pojistitel:**Česká pojišťovna a.s.**

Praha 1, Spálená 75/16, PSČ 113 04

IČO: 452 72 956

zapsaná v obchodním rejstříku Městského soudu v Praze pod spisovou značkou B, vložka 1464

a

Pojistník:**Czech Airlines Handling, a.s.**

Praha 6, Aviatická 1017/2, PSČ 160 08

IČO: 256 74 285

zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl B, vložka 17139

Czech Airlines Technics, a.s.

Praha 6 - Ruzyně, Jana Kašpara 1069/1, PSČ 160 08

IČO: 271 45 573

zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl B, vložka 9307

**uzavírají následující dodatek k pojistné smlouvě o pojištění
odpovědnosti a pojištění leteckých náhradních dílů.****Pojistná smlouva č. 400 400 040 383 ve znění dodatku č. 1 ze dne 22.11.2017 je úplným zněním
s účinností od 01.12.2017.****Pojištění:****Czech Airlines Handling, a.s.**

Praha 6, Aviatická 1017/2, PSČ 16008

IČO: 256 74 285

zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl B, vložka 17139

Czech Airlines Technics, a.s.

Praha 6 - Ruzyně, Jana Kašpara 1069/1, PSČ 16008

IČO: 271 45 573

zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl B, vložka 9307

**Podmínky
pojištění:****PART I - AVIATION PRODUCTS, PREMISES, HANGARKEEPERS AND WORKING PARTIES LIABILITY INSURANCE INCLUDING
AIRCRAFT SPARES INSURANCE**

AVN98 Section 1 ("A"&"B"), 2 and 5 ("A"&"B") only with amendments as set forth herein.

Aircraft Spares Wording LP0344C with amendments as set forth herein

General Exclusion 6 of LP0344C is deleted and replaced by Nuclear Risks Exclusion Clause AVN38B.

Noise and Pollution and Other Perils Exclusion Clause AVN46B. Paragraph 1(b) of this clause shall not apply to pollution and/or contamination of a product sold or supplied by the Original Insured.

War Hijacking and Other Perils Exclusion Clause AVN48B

It is agreed to write back all paragraphs of War Hijacking and Other Perils Exclusion Clause AVN48B except (b) subject to Extended Coverage Endorsement (Aviation Liabilities) AVN52G, subject to a sub-limit of USD250,000,000 any one occurrence and in the aggregate. Additional premium included within Premium charged.

Personal Injury Extension AVN60A

Contracts (Rights of Third Parties) Act 1999 Exclusion Clause AVN72

Asbestos Exclusion Clause 2488AGM00003

Fraudulent Claims AVN100

Sanctions and Embargo Clause AVN111

Two Way Cross Liability Clause LSW715

Date Recognition Exclusion Clause AVN 2000A

Date Recognition Limited Coverage Clause AVN2002A

(Re)Insurers Liability Clause LMA3333

„Underwriters agree to contribution up to USD125,000 for their pro-rata share of a Risk Survey, Safety Audit, Staff Risk Training.

Risk Survey, Safety Audit, Staff Risk Training exceeding the costs of USD20,000 are subject to prior agreement of leading underwriter

Regular and mandatory training and / or education of any kind having the causal connection related to her/his job or profession (including but not limited to safety at work, personal certification etc.) is excluded.”

Insured's business or operation is mainly (i) Ground Handling and Refuelling Services provided by Czech Airlines Handling, a.s. and (ii) Ground Handling Services, Maintenance, Repair and Overhaul of Aircraft, Aircraft Spare parts and Equipment including storage and sales of Aircraft Spare parts and Equipment provided by Czech Airlines Technics, a.s.

Coverage under PART I includes also indirect and consequential damages and losses arising out of or in connection with the Insureds' business or operation as specified above as a consequence of damages or losses caused by Insureds including, but not limited to loss of use, loss of profit, contractual penalties, losses for which injured party becomes liable, etc.

PART II – Aircraft Spares War and Allied Perils Insurance

LSW555F and as amended herein including also Endorsement Number 1 and includes the following:

Contracts (Rights of Third Parties) Act 1999 Exclusion Clause AVN72

Sanctions and Embargo Clause AVN111

Date Recognition Exclusion Clause AVN 2000A

Date Recognition Limited Coverage Clause AVN2001A

(Re)Insurers Liability Clause LMA3333

Duration Transit Clause

SPECIAL CONDITIONS APPLICABLE TO BOTH PART I and PART II

Additional Insureds, waivers of subrogation, indemnities, special agreements, contractual agreements including also lease agreements, loss payees, cross liability, severability of interests clauses and hold harmless agreements, in force at inception, are automatically included herein with further such requirements during the currency of this policy, as required by the Insured and within the normal scope of the Insured's operations, are automatically included herein. Other agreements entered into by the Insured are subject to prior agreement by Slip Leader.

To cover spare engines, aircraft spare parts and equipment (including ground support equipment) and engineers' and mechanics' tools being the property of the Insured or for which the Insured is responsible and whilst in care, custody or control of the Insured or others against physical loss or damage whilst on the ground or in transit by any means.

Rozsah pojištění:

Pojištěna je pouze odpovědnost za škodu nebo jinou újmu v rozsahu podmínek a smluvních ujednání uvedených v části „Podmínky pojištění“ této smlouvy. Tyto „Podmínky pojištění“ tvoří přílohu této pojistné smlouvy a jsou její nedílnou součástí, přičemž tato pojistná smlouva neposkytuje a nemůže poskytnout širší rozsah pojistného krytí než je rozsah pojistného krytí dle „Podmínek pojištění“.

Není-li v této pojistné smlouvě nebo Podmínkách pojištění uvedeno jinak, bude oprávněnou osobou osoba, které vznikne škoda kryta pojištěním dle této pojistné smlouvy.

Počátek pojištění:
01.12.2016; 00,00 hod. CET

Datum účinnosti změny:
01.12.2017; 00,00 hod. CET

Konec pojištění:
30.11.2018; 24,00 hod. CET

Pojištění se sjednává na dobu určitou.

Pojistník prohlašuje, že byl před uzavřením této pojistné smlouvy seznámen s pojistnými podmínkami platnými pro tuto pojistnou smlouvu, a že souhlasí s rozsahem a podmínkami pojištění dle této pojistné smlouvy, což potvrzuje svým níže uvedeným podpisem.

**Jednorázové
pojistné:**



**Podíl na
pojistném:**

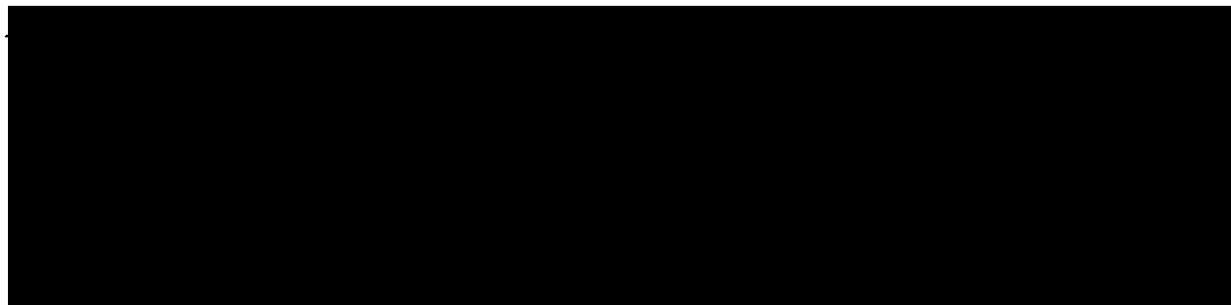
Podíl pojištěných společností na jednorázovém pojistném je stanoven následovně:



**Splatnost
pojistného:**

Pojistné je splatné ve čtvrtletních splátkách, vždy oproti faktuře vystavené společností RESPECT, a.s. dle podmínek uvedených v ujednání AVN6A. Faktury bude makléř vystavovat samostatně pro každou z pojištěných společností v souladu s podílem příslušné pojištěné společnosti na jednorázovém pojistném. Faktury budou ze strany makléře doručeny minimálně 14 dní před datem splatnosti. Platby pojistného budou hrazeny na bankovní účet uvedený na faktuře. Případně-li termín splatnosti na sobotu, neděli, den pracovního volna a den pracovního klidu ve smyslu platných a účinných právních předpisů České republiky nebo na 31. 12. nebo den, který není pracovním dnem podle zákona č. 284/2009 Sb., o platebním styku, ve znění pozdějších předpisů, posouvá se termín splatnosti na nejbližší následující pracovní den.

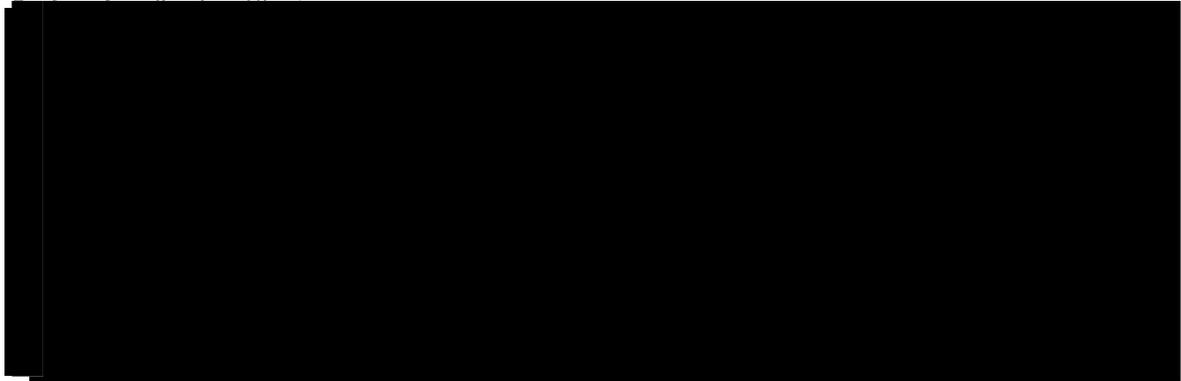
**Ujednání o
soupojištění:**



- 2) Tato pojistná smlouva je ve smyslu ustanovení § 2872 zákona č. 89/2012 Sb., občanský zákoník, smlouvou na pojištění velkého pojistného rizika.
- 3) Odchylně od ustanovení zákona č. 89/2012 Sb., občanský zákoník a o změně souvisejících zákonů § 2817, odst. 3 se tímto ujednává, že oprávněná osoba má právo na pojistné plnění vůči jednotlivým pojistitelům podle výše jejich podílů uvedených v tomto ujednání o soupojištění, které je nedílnou součástí této pojistné smlouvy. Žádný z pojistitelů neručí za splnění povinností jiného pojistitele.
- 4) Vedoucí pojistitel je, pokud není uvedeno jinak, oprávněn a zmocněn přejímat oznámení a projevy vůle pojištěného jménem všech zúčastněných soupojistitelů, stanovit pojistné podmínky a výši pojistného, spravovat soupojištění, přijímat pojistné, přejímat od pojištěného oznámení o vzniku pojistné události a vést šetření nezbytná ke zjištění rozsahu povinnosti pojistitelů poskytnout pojistné plnění. Vedoucí pojistitel je povinen oznámení a projevy vůle pojištěného neprodleně předat ostatním pojistitelům. Zúčastnění pojistitelé mají právo kdykoliv požadovat po vedoucím pojistiteli informace týkající se pojištění.
- 5) Bez výslovného písemného zmocnění nebo není-li v této pojistné smlouvě dohodnuto jinak, není vedoucí pojistitel oprávněn jménem ostatních pojistitelů uznat nebo odmítnout pojistnou událost, dát výpověď smlouvy, odstoupit od smlouvy či jménem ostatních pojistitelů měnit dohodnutý rozsah a podmínky pojištění.

6) Jednotliví pojistitelé (tj. vedoucí pojistitel a soupojistitelé) jsou oprávněni vypovědět svůj podíl na pojištění sjednaném touto pojistnou smlouvou v souladu s ustanoveními pojistné smlouvy, pojistných podmínek a zákona.

7)



8) V případě prodlení vedoucího pojistitele s plněním svých povinností podle pojistné smlouvy, pojistných podmínek a zákona, a vznikne-li tím škoda ostatním pojistitelům, je povinen ji nahradit.

9) V případě neshody mezi soupojistiteli jsou tito oprávněni rozhodnout se a postupovat samostatně. Plnil-li vedoucí pojistitel v rozsahu uplatněného nároku pojistné plnění v celé výši sám, ačkoli k tomu nebyl povinen, je oprávněn požadovat náhradu na ostatních podle výše jejich podílů. Vedoucí pojistitel je zmocněn soupojistiteli vést veškeré právní spory, včetně právních sporů, které se týkají jejich podílů, jako žalobce nebo žalovaný. Pravomocný rozsudek ve prospěch nebo proti vedoucímu pojistiteli i jím uzavřený pravomocný soudní smír budou tímto soupojistiteli uznány také pro ně závaznými. K uzavření soudního smíru je třeba předchozího souhlasu soupojistitelů.

Jurisdikce: Pojištění sjednané na základě pojistné smlouvy, se řídí právním řádem České republiky a pro řešení sporů vzniklých při tomto pojištění jsou příslušné soudy České republiky.

Ochrana informací: Tato pojistná smlouva podléhá povinnosti uveřejnění podle zákona č. 340/2015 Sb., o zvláštních podmínkách účinnosti některých smluv, uveřejňování těchto smluv a o registru smluv (dále jen „zákon o registru smluv“). Smluvní strany se dohodly, že tuto smlouvu je povinen uveřejnit pojistník, a to ve lhůtě a způsobem stanoveným tímto zákonem.

Pojistník i pojistitel výslovně souhlasí s poskytnutím/uveřejněním informací o této smlouvě, a to v rozsahu nezbytném pro splnění povinnosti dle zákona o registru smluv. Takové uveřejnění nebude porušením povinnosti mlčenlivosti ve smyslu platných právních předpisů.

Smluvní strany se dohodly, že výše pojistného a body 1) a 7) Ujednání o soupojištění tvoří obchodní tajemství ve smyslu § 504 Občanského zákoníku a zavazují se zajišťovat jeho utajení a odpovídajícím způsobem jej chránit, přičemž výjimku z této povinnosti představuje zveřejnění nebo zpřístupnění obchodního tajemství osobám činným pro pojistitele, které mají povinnost zachovávat mlčenlivost podle ustanovení § 127 zákona číslo 277/2009 Sb., o pojišťovnictví (Zákon o pojišťovnictví), subjektům vyjmenovaným v ustanovení § 128 Zákona o pojišťovnictví a zajistitelům této pojistné smlouvy. Pro vyloučení pochybností smluvní strany prohlašují, že jiné skutečnosti uvedené v této pojistné smlouvě než skutečnosti uvedené v první větě tohoto ustanovení pojistné smlouvy se za obchodní tajemství nepovažují.

Příloha: Podmínky pojištění

V Praze dne 1. 12. 2017 **CZECH AIRLINES HANDLING**

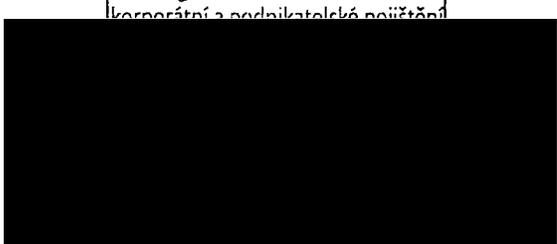
Czech Airlines Handling, a.s. Czech Airlines Handling, a.s.
Aviatická 1017/2, 160 08 Praha 6
IČ: 25674285, DIČ: CZ699003361

Allianz pojišťovna, a. s.
generální ředitelství
korporátní a podnikatelské pojištění



Jiří Jarkovský,
předseda
představenstva

Michal Soukup,
místopředseda
představenstva

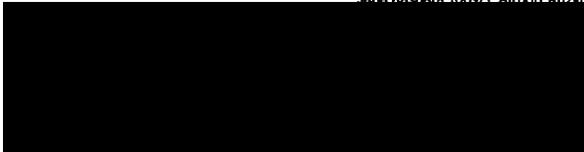


aném



Czech Airlines Technics, a.s.

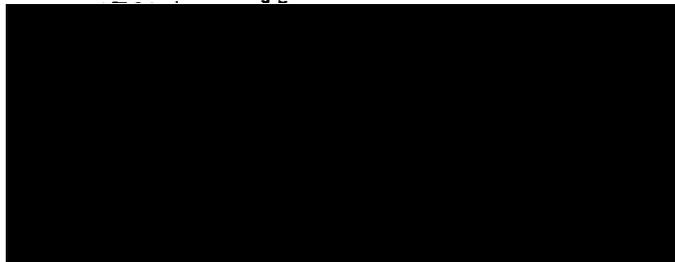
Jana Kašpárka 1069/1 Aluport Buzová



Mgr. Pavel Haleš,
předseda
představenstva

Ing. Zdeněk Soukal,
místopředseda
představenstva

Česká pojišťovna a. s.



SCHVÁLENO

Právní věci Český Aeroholding, a.s.



**AVIATION PRODUCTS, GROUNDING AND OTHER AVIATION LIABILITIES
INSURANCE**

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SECTION ONE

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SECTION TWO

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- Not applicable

SECTION FOUR

AIRPORT LIABILITY INSURANCE

- Not applicable

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AVIATION PREMISES AND HANGARKEEPERS' LIABILITY INSURANCE

AVIATION PRODUCTS RECALL EXTENSION

- Not applicable

PERSONAL INJURY EXTENSION

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

AVN 98 7.3.07

THE SCHEDULE

THE INSURED:

Czech Airlines Handling (CSAH) and/or **Czech Airlines Technics (CSAT)** and all associated and/or affiliated and/or subsidiary companies and/or their employees and/or agents jointly and severally for their respective rights and interests.

THE ADDRESS OF THE INSURED:

CSAH: Prague 6, Aviaticka 1017/2, PSC 160 08, Czech Republic

CSAT: Praha 6 - Ruzyně, Jana Kaspára 1069/1, PSC 16008, Czech Republic

POLICY PERIOD:

Commencing: 1st December 2017

Ending: 30th November 2018

both days inclusive at Local Standard Time at the address of the Original Insured.

PREMIUM:



TRIA (US-Terrorism Risk Insurance Act 2002): Not Applicable

CANCELLATION:

If the premium is on a non-adjustable basis, the premium to be retained by the Insurers in the event of cancellation by the Insured shall be calculated by reference to Cancellation Scale A attached.

INTEREST:

Aviation Premises, Hangarkeepers', Products And Grounding Liability Insurance

To cover the Original Insured's legal liability arising out of their activities at their premises at the above address and elsewhere in connection with their aviation operations.

Insured's business or operation is mainly (i) Ground Handling and Refuelling Services provided by CSAH and (ii) Ground Handling Services, Maintenance, Repair and Overhaul of Aircraft, Aircraft Spare parts and Equipment including storage and sales of Aircraft Spare parts and Equipment provided by CSAT.

LIMITS OF LIABILITY:

Combined Single Limit, (Bodily Injury / Property Damage) for Sections:
**Section One "Coverage A and Coverage B", Section Two, Section Five
"Coverage A and Coverage B"**

USD1,000,000,000 any one occurrence and in the aggregate in respect of Products and
Grounding Liability.
Grounding Legal Liability limited to USD 125,000,000 any one occurrence.

Legal Costs and Expenses payable in addition to the overall policy limit.

Aviation Products and Grounding Liability Insurance - Section One

Coverage A – Aviation Products Liability

Coverage B – Grounding Liability

Working Parties Liability Insurance - Section Two**Aviation Premises and Hangarkeepers' Liability Insurance - Section Five**

Coverage A - Aviation Premises Liability

Coverage B - Aviation Hangarkeepers' Liability

Personal Injury Extension

USD25,000,000 any one offence and in the Aggregate, being within the Limit of
Liability over all Sections to which it attaches and not in addition thereto.

DEDUCTIBLES:

Sections Two and Five are subject to a property damage deductible of USD 10,000
each and every loss but increasing to USD 25,000 each and every loss in respect of
damage to aircraft.

Section One - Nil

GEOGRAPHICAL LIMITS

Worldwide

The Insurers, in consideration of the payment of premium and in reliance upon the information provided by the Insured to the Insurers and subject to the terms, conditions, limitations and exclusions of this Policy, agree as follows:

AVIATION PRODUCTS, GROUNDING AND OTHER AVIATION LIABILITIES INSURANCE

SECTION ONE

AVIATION PRODUCTS AND GROUNDING LIABILITY INSURANCE

COVERAGE A - AVIATION PRODUCTS LIABILITY

To pay on behalf of the Insured all sums which the Insured shall become legally liable to pay as damages for Bodily Injury or Property Damage caused by an Occurrence arising out of the Products Hazard.

Exclusions Applicable to Coverage A

This Coverage A does not apply to:

- A.** any obligation for which the Insured or their Insurer may be held liable under any Employers' Liability or Workers' Compensation law, unemployment compensation or disability benefits law, or under any similar law, or to Bodily Injury of any employee of the Insured arising out of and in the course of the employee's employment by the Insured.
- B.** loss of use of any Aircraft which has not been damaged or destroyed.
- C.** legal liability imposed upon the Insured solely by reason of the Insured's ownership of an Aviation Product.
- D.** legal liability arising from any restriction on or withdrawal from use of an Aviation Product not actually involved in an Occurrence.
- E.** Property Damage to
 - (i) any Space Vehicle or Satellite or any Aviation Product forming a part of such Space Vehicle or Satellite whether partially or wholly completed nor to any expenses incurred incidental to or resulting from the replacement or repair of such Space Vehicle or Satellite and
 - (ii) any Space Vehicle or Satellite belonging to a third party whether partially or wholly completedafter such Space Vehicle or Satellite has been delivered to a launch site, but this exclusion shall not apply if such Property Damage is caused by an Aircraft or an Aviation Product forming a part of such Aircraft.
- F.** Property Damage to any Launch Vehicle or any Aviation Product forming a part of such Launch Vehicle or to any expenses incurred incidental to or resulting from the

replacement or repair of such Launch Vehicle, but this exclusion shall not apply if such Property Damage is caused by an Aircraft or an Aviation Product forming part of such Aircraft.

COVERAGE B - GROUNDING LIABILITY

To pay on behalf of the Insured all sums which the Insured shall become legally liable to pay as damages for the loss of use of completed Aircraft, occurring after delivery to and acceptance by a purchaser or purchasers or operator or operators of such Aircraft for flight operations, and caused by a Grounding resulting from an Occurrence arising out of the Products Hazard.

Exclusions Applicable to Coverage B

This Coverage B does not apply to:

- A.** loss of use of any Aircraft occurring during maintenance, routine overhaul or alteration, or whilst being modified for purposes other than those relating to Grounding.
- B.** loss of use of any Military Aircraft.
- C.** loss of use of any Space Vehicle, Satellite or Launch Vehicle.
- D.** any Aircraft after it is designated by the Prime Manufacturer or required by the direction of the Civil Aviation Authority of the United Kingdom (CAA) or the Federal Aviation Administration of the United States of America (FAA), or any similar civil aviation authority to be removed from all flight operations due to its certificate of airworthiness being withdrawn by reason of the Aircraft's safe operational life having been reached or exceeded.

PAYMENT OF DEFENCE, SETTLEMENT EXPENSES AND COSTS

With respect to the insurance afforded under this Section the Insurers will:

- A.** Defend any suit against the Insured alleging Bodily Injury or Property Damage or loss of use even if such suit is groundless, false or fraudulent, but the Insurers may make such investigation, negotiation and settlement of any claim or suit as they deem expedient.
- B.** Pay the following:
 - (i) Costs and expenses incurred in the defence of any such suit;
 - (ii) Premiums on bonds to release attachments for an amount not in excess of the Limit of Liability of this Section and premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish any such bonds;
 - (iii) Costs recoverable against the Insured and interest accruing after entry of judgment until the Insurers have paid, tendered or deposited in court such part of such judgment as does not exceed the applicable limit of the Insurers' liability. In the event that the amount of the judgment exceeds the applicable limit of the Insurers' liability, the Insurers shall only be liable to pay for that proportion of the said costs and interest which the applicable limit of Insurers' liability bears to the amount of such judgment.

The amounts incurred with the consent of the Insurers under this agreement are payable by the Insurers in addition to the applicable Limit of Liability of this Section. However, the Insurers shall not be obligated to defend any suit or pay any costs, expenses and premiums incurred after the aggregate Limit of Liability under this Section has been exhausted and in this event the Insured shall have the right to take over control of proceedings from the Insurers.

EXCLUSIONS APPLICABLE TO COVERAGES A AND B

This Section does not apply to:

- A.** legal liability arising from the handling or use of any Aviation Product Owned by or loaned to the Insured or, except with respect to Grounding coverage, whilst such Aviation Product is in the possession or under the control of the Insured.
- B.** Property Damage to property owned by, rented, leased, occupied or used by or in the care, custody or control of the Insured at the time of the Occurrence except with respect to a completed Aircraft temporarily returned to the Insured for modification or repair or whilst being flown by aircrew of the Insured after acceptance by a purchaser or lessee.
- C.** loss of use of any Aircraft:
 - (i) caused by the culpable failure of the Insured to perform any obligation with respect to making available or delivering an Aviation Product to the purchaser or operator of such Aircraft.
 - (ii) occurring during the period that the Insured does not use reasonable diligence to find and eliminate the cause of the loss of use.
- D.** legal liability for the cost or expense of the Insured for the inspection, repair, alteration, modification, replacement of or for work completed by or on behalf of the Insured to an Aviation Product or any property of which it forms part by reason of a defect or deficiency known or suspected to exist in an Aviation Product not actually involved in an Occurrence.
- E.** any liability for Property Damage to any property of any government which in the absence of this insurance is assumed by any government under any contract or agreement or otherwise, nor does the premium for this insurance contemplate such coverage.

DEFINITIONS

Wherever used in this Section the following terms apply:

A. Aircraft

Aircraft means aircraft and shall be deemed to include Missiles, air cushion vehicles/hovercraft, lighter-than-air aircraft and helicopters.

B. Aviation Product

Aviation Product means a completed Aircraft or Space Vehicle or Satellite and any article forming part thereof, or supplied for installation in, or for use in connection with, or for spare parts for, an Aircraft or Space Vehicle or Satellite including ground handling tools and equipment and also means training aids, instructions, manuals, blueprints, engineering or other data or any article in respect of which engineering or other advice and services and labour have been given or supplied by the Insured in connection with an Aircraft or Space Vehicle or Satellite.

C. Bodily Injury

Bodily Injury means bodily injury, sickness or disease, including death at any time resulting therefrom.

D. Grounding

Grounding means the complete and continuous withdrawal from all flight operations at or about the same time of one or more Aircraft due to a mandatory order of the Civil Aviation Authority of the United Kingdom (CAA) or the Federal Aviation Administration of the United States of America (FAA), or any similar civil aviation authority, because of an existing, alleged or suspected like defect, fault or condition affecting the safe operation of two or more like Aircraft and which results from an Occurrence.

A Grounding shall be deemed to commence from the date on which the first such order becomes effective following an Occurrence during the Policy Period and to continue until the date on which the last such order relating to the same existing, alleged or suspected like defect, fault or condition is withdrawn or becomes ineffective.

Such Grounding shall be deemed to fall in the Policy Period of the Occurrence which exposed such defect, fault or condition.

E. Insured

Insured means the Insured named herein and includes any executive officer, employee, partner, director or shareholder thereof while acting within the scope of their duties as such.

F. Launch Vehicle

Launch Vehicle means any vehicle, including parts detached en route, designed, constructed or intended to place into space or into orbit any Space Vehicle or Satellite and shall include both manned and unmanned vehicles.

G. Military Aircraft

Military Aircraft means an Aircraft owned by or used by or in the possession of the armed services of any government provided that Aircraft leased or chartered to the armed services of any government shall be deemed not to be Military Aircraft.

H. Missile

Missile means any non-manned, self-propelled device (other than a Launch Vehicle) capable of free flight, whether self-controlled or not, and includes any ground support or control equipment used in connection therewith.

After the arrival of a Missile at a launching site, such Missile shall be deemed not to be Owned by, loaned to, in the possession or control of or in flight by the Insured.

When the Insured removes a Missile from a launching site or recovers a Missile, after completion of its flight, for the purpose of returning it to the Insured's premises other than a launching site, such Missile shall be deemed to be in the possession or control of the Insured until such Missile again arrives at a launching site or the Insured surrenders possession of such Missile to a person or organisation who is not an Insured under this Section.

I. Occurrence

Occurrence means an accident or incident (other than a Grounding) or a continuous or repeated exposure to conditions occurring during the Policy Period which arises out of the Products Hazard and causes Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Insured. All damages arising out of exposure to substantially the same general conditions shall be deemed to arise out of one Occurrence.

J. Owned by

An Aviation Product to which the Insured has retained title under a conditional sales contract, lease contract, chattel mortgage or similar lien, shall be deemed not to be Owned by the Insured.

K. Prime Manufacturer

Prime Manufacturer means any manufacturer which sells its Aviation Product directly to and/or enters into a contract of sale with an Aircraft purchaser.

L. Products Hazard

Products Hazard means the handling or use of (other than by the Insured) or the existence of any condition in an Aviation Product provided, as regards Coverage A - Aviation Products Liability - such Aviation Product has ceased to be in the possession or under the control of the Insured; nevertheless it is understood and agreed that the indemnity provided by this Section shall not be invalidated when a completed Aircraft is temporarily returned to the Insured for modification or repair or whilst being flown by aircrew of the Insured after acceptance by a purchaser or lessee.

M. Property Damage

Property Damage means physical loss of or damage to or destruction of tangible property, including the loss of use of such property.

N. Space Vehicle or Satellite

Space Vehicle or Satellite means a spacecraft or satellite including parts detached en route designed to travel to and/or from or into space or any orbit.

O. Turnover

Turnover means the sale price of the Aviation Product(s) delivered during the Policy Period.

CONDITION

Knowledge and Consent Clause

In the event that an Aviation Product, sold as such and declared within the Turnover of this Section, is used for non-aviation purposes without the actual knowledge and consent of the Insured, the coverage provided by this Section shall not be invalidated and shall remain in full force and effect for any such product.

SECTION TWO

WORKING PARTIES LIABILITY INSURANCE

This insurance is only in place when an amount is inserted against the appropriate Limit of Liability in the Schedule

To pay on behalf of the Insured all sums which the Insured shall become legally liable to pay as damages for Bodily Injury or Property Damage caused by an Occurrence arising in the course of any work or the performance of any duties carried out by or on behalf of the Insured in connection with the Insured's business or operations away from the Insured's premises in connection with any Aircraft Product including liability for Property Damage to such Aircraft Product.

PAYMENT OF DEFENCE, SETTLEMENT EXPENSES AND COSTS

With respect to the insurance afforded under this Section the Insurers will:

- A. Defend any suit against the Insured alleging Bodily Injury or Property Damage even if such suit is groundless, false or fraudulent, but the Insurers may make such investigation, negotiation and settlement of any claim or suit as they deem expedient.
- B. Pay the following:
 - (i) Costs and expenses incurred in the defence of any such suit;
 - (ii) Premiums on bonds to release attachments for an amount not in excess of the Limit of Liability of this Section and premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish any such bonds;
 - (iii) Costs recoverable against the Insured and interest accruing after entry of judgment until the Insurers have paid, tendered or deposited in court such part of such judgment as does not exceed the applicable limit of the Insurers' liability. In the event that the amount of the judgment exceeds the applicable limit of the Insurers' liability, the Insurers shall only be liable to pay for that proportion of the said costs and interest which the applicable limit of Insurers' liability bears to the amount of such judgment.

The amounts incurred with the consent of the Insurers hereunder are payable by the Insurers in addition to the applicable Limit of Liability of this Section.

EXCLUSIONS

This Section does not apply to:

- A. Property Damage to property in the care, custody and control of the Insured whilst on premises owned or occupied by the Insured.
- B. Property Damage to property owned by, rented to or leased by the Insured.

- C. Bodily Injury or Property Damage arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured after such goods or products have ceased to be in the possession or under the control of the Insured.
- D. the cost of making good any faulty workmanship for which the Insured, their contractors or sub-contractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).
- E. any obligation for which the Insured or their Insurer may be held liable under any Employers' Liability or Workers' Compensation law, unemployment compensation or disability benefits law, or under any similar law, or to Bodily Injury of any employee of the Insured arising out of and in the course of the employee's employment by the Insured.
- F. liability for which compulsory insurance or security is required by any applicable law governing road traffic or, in the absence of any applicable law, to liability arising from the use of any vehicle upon the public highway.

In respect of any such liability arising from an Occurrence within the confines of an airport or airfield this exclusion does not apply:

- (i) if there is no such applicable law;
- (ii) to the liability of the Insured to pay an amount which is excess of:
 - (a) any prescribed limit that is required to be insured where insurance may be effected to comply with the law whether the Insured effects an insurance policy in respect of such liability or not
 - (b) the limit of liability of the insurance policy effected by the Insured insuring such liability

whichever is the greater.

- G. Property Damage to any Space Vehicle or Satellite arising out of or in the course of any work thereon.
- H. Property Damage to any Launch Vehicle arising out of or in the course of any work thereon.

DEFINITIONS

Wherever used in this Section the following terms apply:

A. Aircraft

Aircraft means aircraft and shall be deemed to include Missiles, air cushion vehicles/hovercraft, lighter-than-air aircraft and helicopters.

B. Aircraft Product

Aircraft Product means a completed Aircraft and any article forming part thereof, or supplied for installation in, or for use in connection with, or for spare parts for an Aircraft including ground handling tools and equipment and also means training aids, instructions, manuals, blueprints, engineering or other data or any article in respect of which engineering or other advice and services and labour have been given or supplied by the Insured in connection with an Aircraft.

C. Bodily Injury

Bodily Injury means bodily injury, sickness or disease, including death at any time resulting therefrom.

D. Insured

Insured means the Insured named herein and includes any executive officer, employee, partner, director or shareholder thereof while acting within the scope of their duties as such.

E. Launch Vehicle

Launch Vehicle means any vehicle, including parts detached en route, designed, constructed or intended to place into space or into orbit any Space Vehicle or Satellite and shall include both manned and unmanned vehicles.

F. Missile

Missile means any non-manned, self-propelled device (other than a Launch Vehicle) capable of free flight, whether self-controlled or not, and includes any ground support or control equipment used in connection therewith.

G. Occurrence

Occurrence means an accident or incident or a continuous or repeated exposure to conditions occurring during the Policy Period which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Insured. All damages arising out of exposure to substantially the same general conditions shall be deemed to arise out of one Occurrence.

H. Property Damage

Property Damage means physical loss of or damage to or destruction of tangible property, including the loss of use of such property.

I. Space Vehicle or Satellite

Space Vehicle or Satellite means a spacecraft or satellite including parts detached en route designed to travel to and/or from or into space or any orbit.

CONDITIONS

A. Cancellation

This Section will terminate automatically in the event the Aviation Products and Grounding Liability Insurance, to which this Section is attached, is cancelled or terminated.

B. Reasonable Care

The Insured shall and will at all times exercise reasonable care in seeing that the ways, implements, plant, machinery and appliances used in the Insured's business are substantial and sound and in proper order and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against accidents are provided and used.

C. Compliance

The Insured shall comply with all applicable international and government regulations and civil instructions.

SECTION FIVE**AVIATION PREMISES AND HANGARKEEPERS' LIABILITY INSURANCE**

This insurance is only in place when an amount is inserted against the appropriate Limit of Liability in the Schedule

To pay on behalf of the Insured all sums which the Insured shall become legally liable to pay as damages for Bodily Injury or Property Damage caused by an Occurrence and arising out of the hazards set forth in Coverages A and B below.

COVERAGE A – AVIATION PREMISES LIABILITY

Bodily Injury or Property Damage occurring in or about the Insured's aviation premises as a direct result of the services granted by the Insured, caused by the fault or negligence of the Insured or by any defect in the Insured's premises, ways, works, machinery or plant used in the Insured's aviation business.

Exclusions Applicable to Coverage A

This Coverage A does not apply to:

- A.** Property Damage to property owned by, rented to, leased or occupied by, whilst being handled, serviced or maintained by the Insured, but this exclusion shall be deemed not to apply to vehicles that are not the property of the Insured whilst on the Insured's premises.
- B.** Bodily Injury or Property Damage caused by any ships, vessels, craft or aircraft owned, chartered, used or operated by or on account of the Insured, but this exclusion shall be deemed not to apply to aircraft owned by others which are On the Ground and for which indemnity is otherwise granted under Coverage B.
- C.** liability for which compulsory insurance or security is required by any applicable law governing road traffic or, in the absence of any applicable law, to liability arising from the use of any vehicle upon the public highway.

In respect of any such liability arising from an Occurrence within the confines of an airport or airfield this exclusion does not apply:

- (i) if there is no such applicable law;
- (ii) to the liability of the Insured to pay an amount which is excess of:
 - (a) any prescribed limit that is required to be insured where insurance may be effected to comply with the law whether the Insured effects an insurance policy in respect of such liability or not
 - (b) the limit of liability of the insurance policy effected by the Insured insuring such liability

whichever is the greater.

- D. Bodily Injury or Property Damage arising out of any airmeet, air race, or air show or any stand used for the accommodation of spectators in connection therewith, unless previously agreed by the Insurers.
- E. Bodily Injury or Property Damage arising out of the construction of, demolition of or alterations to buildings, runways or installations by the Insured or their contractors or sub-contractors (other than normal maintenance operations) unless previously agreed by the Insurers.
- F. Bodily Injury or Property Damage arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured after such goods or products have ceased to be in the possession or under the control of the Insured, but this exclusion shall be deemed not to apply to the supply, by the Insured, of food or drink at the Insured's premises.
- G. any obligation for which the Insured or their Insurer may be held liable under any Employers' Liability or Workers' Compensation law, unemployment compensation or disability benefits law, or under any similar law, or to Bodily Injury of any employee of the Insured arising out of and in the course of the employee's employment by the Insured.
- H. liability arising out of the operation of an airfield control tower unless previously agreed by the Insurers.

COVERAGE B - HANGARKEEPERS LIABILITY

Property Damage to aircraft or aircraft equipment not owned, rented or leased by or loaned to the Insured occurring whilst in Flight or On the Ground in the care, custody or control of or whilst being serviced, handled or maintained by the Insured.

Exclusions applicable to Coverage B

This Coverage B does not apply to:

- A. Property Damage to robes, wearing apparel, personal effects or merchandise of any description.
- B. Property Damage to aircraft or aircraft equipment, owned, rented or leased by or loaned to the Insured.

PAYMENT OF DEFENCE, SETTLEMENT EXPENSES AND COSTS

With respect to the insurance afforded under this Section the Insurers will:

- A. Defend any suit against the Insured alleging Bodily Injury or Property Damage even if such suit is groundless, false or fraudulent, but the Insurers may make such investigation, negotiation and settlement of any claim or suit as they deem expedient.
- B. Pay the following:
 - (i) Costs and expenses incurred in the defence of any such suit;

- (ii) Premiums on bonds to release attachments for an amount not in excess of the Limit of Liability of this Section and premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish any such bonds;
- (iii) Costs recoverable against the Insured and interest accruing after entry of judgment until the Insurers have paid, tendered or deposited in court such part of such judgment as does not exceed the applicable limit of the Insurers' liability. In the event that the amount of the judgment exceeds the applicable limit of the Insurers' liability, the Insurers shall only be liable to pay for that proportion of the said costs and interest which the applicable limit of Insurers' liability bears to the amount of such judgment.

The amounts incurred with the consent of the Insurers hereunder are payable by the Insurers in addition to the applicable Limit of Liability of this Section.

EXCLUSION APPLICABLE TO COVERAGES A AND B

This Section does not apply to the cost of making good any faulty workmanship for which the Insured, their contractors or sub-contractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).

DEFINITIONS

Wherever used in this Section the following terms apply:

A. Bodily Injury

Bodily Injury means bodily injury, sickness or disease, including death at any time resulting therefrom.

B. Flight

Flight means the time commencing with the actual take-off run of the aircraft and continuing thereafter until it has completed its landing run. With respect to helicopters Flight shall be deemed to mean whilst the rotors are in motion.

C. Insured

Insured means the Insured named herein and includes any executive officer, employee, partner, director or shareholder thereof while acting within the scope of their duties as such.

D. Occurrence

Occurrence means an accident or incident or a continuous or repeated exposure to conditions occurring during the Policy Period which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Insured. All damages arising out of exposure to substantially the same general conditions shall be deemed to arise out of one Occurrence.

E. On the Ground

On the Ground means at all times the aircraft is not in Flight.

F. Property Damage

Property Damage means physical loss of or damage to or destruction of tangible property, including the loss of use of such property.

CONDITIONS

A. Cancellation

This Section will terminate automatically in the event the Aviation Products and Grounding Liability Insurance, to which this Section is attached, is cancelled or terminated.

B. Reasonable Care

The Insured shall and will at all times exercise reasonable care in seeing that the ways, implements, plant, machinery and appliances used in the Insured's business are substantial and sound and in proper order and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against accidents are provided and used.

C. Compliance

The Insured shall comply with all applicable international and government regulations and civil instructions.

PERSONAL INJURY EXTENSION**For attachment to Sections Two to Five****This Extension is only in place when an amount is inserted against the appropriate
Limit of Liability in the Schedule**

The insurance provided by this Policy extends to indemnify the Insured for legal liability for damages awarded to any person arising out of one or more of the following offences committed during the Policy period but only where such offences are committed in connection with that part of the Insured's aviation operations or interests for which other coverage is granted by the Policy:

1. False arrest, restraint, detention or imprisonment.
2. Malicious prosecution.
3. Wrongful entry, eviction or other invasion of the right of private occupancy.
4. Inadvertent discrimination with respect to withholding or refusal of transportation except with respect to overbooking.
5. The publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual's right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the Insured.
6. Incidental medical malpractice error or mistake by a physician, surgeon, nurse, medical technician or other person performing medical services but only for or on behalf of the Insured in the provision of emergency medical relief.

The following additional exclusions shall apply to this extension:

- (a) liability assumed by the Insured by agreement under any contract unless such liability would have attached to the Insured even in the absence of such agreement,
- (b) liability arising out of the wilful violation of penal statute or ordinance committed by or with the knowledge or consent of the Insured,
- (c) liability arising out of offence 5 above,
 - (i) if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this insurance
 - (ii) if such publication or utterance was made by or at the direction of the Insured with the knowledge of the false nature thereof,
- (d) liability directly or indirectly related to the past, present or potential employment of any person by the Insured.

The Limit of Liability applicable to this extension is as stated in the Schedule.

All other terms and conditions of this Policy remain unchanged

With respect to cover provided in Section Three of the Policy, in the event of a combined claim under the aircraft operator's policy and this Policy, the total liability under this Personal Injury Extension and the aircraft operator's policy combined shall not exceed the Limit of Liability stated in the Policy Schedule for Personal Injury.

AVN 60(A) 24.01.2004 (amended)

The cover provided by the Personal Injury Extension in relation to Section Three of this Policy only applies where the aircraft operator's policy contains the same or similar cover.

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

A. NUCLEAR RISKS EXCLUSION CLAUSE

1. This Policy does not cover:

- (i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

- (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
 - (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
2. It is understood and agreed that such radioactive material or other radioactive source in paragraph 1(b) and (c) above shall not include:
- (i) depleted uranium and natural uranium in any form;
 - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
3. This Policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
- (i) the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or

- (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
 - (iii) the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.
4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2 shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:
- (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
 - (ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Insured against the Insurers or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
 - (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

Emitter (IAEA Health and Safety Regulations)	Maximum permissible level of non- fixed radioactive surface contamination (Averaged over 300 cm²)
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

- (iv) the cover afforded hereby may be cancelled at any time by the Insurers giving seven days' notice of cancellation.

B. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE

The rights of a person who is not a party to this insurance or reinsurance to enforce a term of this insurance or reinsurance and/or not to have this insurance or reinsurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this insurance or reinsurance.

AVN 72 9.2.2000

C. NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not apply to claims directly or indirectly occasioned by, happening through or in consequence of:
 - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - (b) pollution and contamination of any kind whatsoever,
 - (c) electrical and electromagnetic interference,
 - (d) interference with the use of property,unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend
 - (a) claims excluded by Paragraph 1 or
 - (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").
3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:
 - (i) damages awarded against the Insured and
 - (ii) defence fees and expenses incurred by the Insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

This Exclusion C is not applicable to passengers, baggage, cargo or mail.

AVN 46B 1.10.96 (Amended)

In respect of Section 1 only, paragraph C.1(b) above does not apply to the pollution or contamination of products sold or supplied by the Insured.

D. WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)

This Policy does not apply to claims caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labour disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured.

Furthermore, this Policy does not cover claims arising whilst an aircraft is outside the control of the Insured by reason of any of the above perils. The aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the aircraft (such safe return shall require that the aircraft be parked with engines shut down and under no duress).

AVN 48B 1.10.96 (Amended)

E. ASBESTOS EXCLUSION CLAUSE

This Policy does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:

1. the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
2. any obligation, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

However, this exclusion shall not apply to any claim caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs 1 or 2 hereof.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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F. DATE RECOGNITION EXCLUSION CLAUSE

This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with any change of year, date or time;
whether on or before or after such change of year, date or time;
- (b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- (c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

AVN 2000A 14.03.01

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS**A. Policy Period**

This Policy applies only with respect to Occurrences which take place during the Policy Period provided that an Occurrence involving a missing or unreported aircraft shall be deemed to occur at the time such aircraft commences flight or is last reported, whichever last occurs. The Policy Period shall commence and end on the dates stated in the Schedule.

B. Limit of Liability

The Limit of Liability of the Insurers for damages shall be as set forth in the Schedule.

In the event of more than one Insured being covered by this Policy, each shall have the same protection as would have been available had this Policy been issued individually to each of them; provided, however, that the inclusion hereunder of more than one Insured shall not operate to increase the liability of the Insurers beyond the amount for which they would have been liable had there been only one person or entity insured under this Policy.

C. Premium

The Insured shall pay the premium stated in the Schedule. Should this premium be a minimum and deposit premium the Insured shall, on the expiration of the Policy, declare to the Insurers the amount of their Turnover during the Policy Period and the earned premium shall be calculated by applying the rates as set out in the Schedule.

In the event of the earned premium so calculated exceeding the minimum premium the Insured shall pay to the Insurers the difference. If the earned premium so calculated is less than the minimum premium no return of premium shall be made.

D. Non-payment of Premium

In the event of non-payment of premium by the Insured this Policy may be cancelled by or on behalf of the Insurers provided 10 days notice be given to the Insured at their last address.

E. Material Change

Should there be any material change in the circumstances or nature of the risks which are the basis of this contract the Insured shall give immediate notice thereof to the Insurers and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurers.

F. Assignment

This Policy shall not be assigned in whole or in part except with the consent of the Insurers verified by endorsement hereon.

G. Notice of Occurrence or Grounding

When an Occurrence or Grounding takes place, written notice shall be given by or on behalf of the Insured to the Insurers through their authorised agents appointed for this purpose (as set forth in the Schedule) as soon as practicable.

Such notice shall contain reasonably obtainable information respecting the time, place and circumstances of the Occurrence and the names and addresses of available witnesses.

H. Notice of Claim or Suit

If claim is made or suit is brought against the Insured, the Insured shall as soon as practicable forward to the Insurers' authorised agents appointed for this purpose every demand, notice, summons or other process received by them or their representatives.

I. Assistance and Co-operation of the Insured

The Insured shall co-operate with the Insurers and, upon the Insurers request shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits.

J. Action against the Insurers

No action shall lie against the Insurers unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or award against the Insured in any arbitration proceedings against which Insurers do not wish to appeal or by written agreement of the Insured, the claimant and the Insurers.

Nothing contained in this Policy shall give any person or organisation any right to join the Insurers as a co-defendant in any action against the Insured to determine the Insured's liability.

K. Subrogation

In the event of any payment under this Policy, the Insurers shall be subrogated to all the Insured's rights of recovery therefor against any person or organisation. The Insured shall do whatever is necessary to secure such rights and shall co-operate with the Insurers and, upon the Insurers' request, shall assist in effecting settlement, securing evidence, obtaining attendance of witnesses and in the conduct of suits. Any expenses incurred upon such request of the Insurers shall be paid by the Insurers.

L. Inadvertent Errors or Omissions

Inadvertent errors or omissions or failure to give notice to the Insurers as herein required shall not relieve the Insurers of liability under this Policy, provided that such error or omission or failure shall be corrected as soon as discovered.

M. No Admission

No liability shall be admitted and no admission, arrangement, offer, promise or payment shall be made by the Insured without the written consent of the Insurers.

N. Contribution

If the Insured has other insurance against loss covered by this Policy, the Insurers shall not be liable for a greater proportion of such loss than the Limit of Liability stated in the Schedule bears to the limit of indemnity of all valid and collectible insurance against such loss.

O. Law and Jurisdiction

This Policy shall be governed by the law of the Czech Republic whose courts shall have exclusive jurisdiction in any dispute arising hereunder between the parties to this contract.

P. Misrepresentation

By acceptance of this Policy the Insured agrees that the information provided for this insurance are their representations and that this Policy is issued in reliance upon the truth of such representations. Any misrepresentation by the Insured or their duly authorised representative or agent will void this Policy.

Q. Cancellation

This Policy may be cancelled at any time at the written request of the Insured or may be cancelled by or on behalf of the Insurers provided (except as otherwise provided) not less than thirty (30) days notice in writing be given.

The premium to be retained by the Insurers in the event of cancellation by the Insured shall be calculated as follows:

- (a) If the premium is on an adjustable basis: the earned premium hereon for the period that this Policy has been in force or the short rate proportion of any minimum premium calculated in accordance with the scale specified in the Schedule, whichever is the greater.
- (b) If the premium is on a non-adjustable basis: the short rate proportion thereof calculated in accordance with the scale specified in the Schedule.

In the event of cancellation by the Insurers the premium due to the Insurers shall be calculated as in (a) and (b) above except that pro rata proportion shall be substituted for short rate proportion. Notice of cancellation by the Insurers shall be effective even though the Insurers make no payment or tender of return premium.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction hereof, such notice shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

R. Fraud

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

S. Contractual Liability

The inclusion of additional Insureds, hold harmless agreements, indemnities, waivers of subrogation and contractual agreements agreed by the insurers of previously issued policies are automatically incorporated herein.

This Policy does not apply to any liability assumed by the Insured under any contract or agreement, including a warranty of Aircraft Products, other than as may be assumed under any standard commercial sales contract or sales agreement, greater than the liability which would have been imposed by law in the absence of any express contract or assumption of liability;

Nothing in the foregoing paragraphs shall be considered to extend the scope of this Policy to risks not insured hereunder unless the same has been agreed by the Insurers subscribing to this Policy.

AVN 98 7.3.07

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

**AVIATION CANCELLATION SCALE (A)
(applicable to Annual Policies)**

1 month on risk	20% annual premium
2 months on risk	30% annual premium
3 months on risk	40% annual premium
4 months on risk	50% annual premium
5 months on risk	60% annual premium
6 months on risk	70% annual premium
7 months on risk	75% annual premium
8 months on risk	80% annual premium
9 months on risk	85% annual premium

Over 9 months equivalent to Annual.

SPACE EXCLUSION ENDORSEMENT

For attachment to Section One Aviation Products and Grounding Liability Insurance

Endorsement attaching to and forming part of Policy No. 400 040 383

It is understood and agreed that this Policy shall not apply to any legal liability caused directly or indirectly by any Space Vehicle or Satellite or an Aviation Product forming a part of such Space Vehicle or Satellite.

**Endorsement No. 2
(Exclusion of Space Products Coverage)**

AIRCRAFT SPARES WORDING

1. INTENTION

Subject to the terms, conditions and exclusions hereinafter contained this Policy insures Property being only Engines, Spare Parts and Equipment destined to be fitted to or to form part of an aircraft and being the property of the Assured or the property of others for which the Assured is responsible, while such property is in the care, custody or control of the Assured on the ground, or is being carried as cargo in transit, by air (including Assured's aircraft) and/or steamers (approved or held covered at a premium to be arranged) and/or road and/or rail and/or conveyance.

2. CONDITIONS

All risks of Physical Loss or Damage (except as hereafter excluded) but

Air Transits

Institute Cargo Clauses (AIR) 1/1/82

Marine Transits

Institute Cargo Clauses (A) 1/1/82

3. GEOGRAPHICAL LIMITS

This Policy to cover the property described above, against the risks described above, whilst Worldwide

4. EXCLUSIONS

This Policy does not insure:-

- (a) Loss of or damage to any such property occurring at any time after the commencement of the operation of fitting it to or placing it on board the aircraft to which it is destined.
- (b) Loss of or damage to an Engine occurring during the running or testing thereof.
- (c) Mechanical or electrical derangement.
- (d) Loss or damage caused by wear, tear or gradual deterioration.
- (e) Loss or damage caused by or resulting from neglect of the Assured to use reasonable means to save and preserve the property at the time of and after any loss or damage.

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(f) Loss of or damage to any property which has been detached from an aircraft and which is intended to be refitted to the aircraft and not to be replaced by other property.

(g) Loss of or damage to any property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.

(h) Property carried in an aircraft as a spare parts kit.

(i) Property fitted to or forming part of an aircraft.

(j) The property of others carried or stored by the Assured for hire or reward.

(k) Mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory.

5. This Policy is subject to the Nuclear Risks Exclusion Clause AVN71.

6. This Policy does not cover claims caused by:

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labour disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of an Aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without consent of the Assured.

(h) An aircraft being outside the control of the Assured by reason of a peril excluded by paragraphs (f) or (g).

7. DEDUCTIBLE CLAUSE

Each claim for loss or damage arising out of one event shall be adjusted separately and from the amount of such adjusted claim the sum of 1% of value but subject and a

maximum of USD10,000 each and every loss shall be deducted but claims for loss or damage caused by fire, wind, tornado and cyclone shall be paid in full.

8. LIMITS OF LIABILITY

The liability of the Underwriters shall not exceed:-

1. USD 100,000,000 any one building and/or location and / or sending
2. The cost of repair or the cost of replacement or the insured value, whichever shall be the least amount, in respect of any one item of property.

9. SALVAGE AND RECOVERIES CLAUSE

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties thereto.

10. LOSS CLAUSE

Any loss hereunder shall not reduce the amount of this Policy.

11. CANCELLATION CLAUSE

This Policy shall be cancelled either by the Assured or by Underwriters by mailing to the other at the address shown in the Policy, written notice stating when not less than 30 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and effective date and hour of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the Assured or by Underwriters shall be equivalent to mailing. The Assured agrees, in the event of cancellation, to report the values at risk and to pay premium thereon to Underwriters as provided by "Reporting and Premium Adjustment Clause" up to the date of cancellation.

LPO 344C

Extended Coverage Endorsement (Aviation Liabilities AVN 52 G)

1. Whereas the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48 B), in consideration of an Additional Premium included within the Premium charged it is hereby understood and agreed that with effect from 1st December 2016 all sub-paragraphs other than b) of Clause AVN 48 B forming part of this Policy are deleted subject to all terms and conditions of this Endorsement.

2. Exclusion applicable only to any cover extended in respect of the deletion of sub-paragraph a) of Clause AVN 48 B.

Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. **Limitation of Liability**

The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of USD250,000,000 or the applicable Policy limit whichever the lesser, any one Occurrence and in the annual aggregate. This sub-limit shall apply within the full Policy limit and not in addition thereto.

4. **Automatic Termination**

To the extent provided below, cover extended by this endorsement shall terminate automatically in the following circumstances:

- 4.1. **All Cover**

upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America.

- 4.2. **Any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48 B**

upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the Insured Aircraft may be involved.

- 4.3. **All cover in respect of any of the Insured Aircraft requisitioned for either title or use**

upon such requisition

Provided that if an Insured Aircraft is in the air when 4.1, 4.2 or 4.3 occurs, then the cover provided by this Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such an Aircraft until completion of its first landing thereafter and any passengers have disembarked.

5. Review and Cancellation

5.1. Review of Premium and/or Geographical Limits (7 days)

Insurers may give notice to review premium and/or geographical limits - such notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which notice is given.

5.2. Limited Cancellation (48 hours)

Following a hostile detonation as specified in 4.2 above, Insurers may give notice of cancellation of one or more parts of the cover provided by paragraph 1. of this Endorsement by reference to sub-paragraphs (c), (d), (e) (f) and/or (g) of Clause AVN 48 B - such notice to become effective on the expiry of forty-eight hours from 23.59 hours GMT on the day on which notice is given.

5.3. Cancellation (7 days)

The cover provided by this Endorsement may be cancelled by either Insurers or the Insured giving notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which such notice is given.

5.4. Notices

All notices referred to herein shall be in writing.

AVN 52 G

Sanctions and Embargo Clause

Notwithstanding anything to the contrary in the Policy the following shall apply:

1. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.
2. In circumstances where it is lawful for an Insurer to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorisation to make such payment.
3. In the event of any law or regulation becoming applicable during the Policy period which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion

of the premium for the period that the Policy has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Policy relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

AVN 111 01.10.10

TWO WAY CROSS LIABILITY CLAUSE

It is agreed that the inclusion of more than one Insured in this Policy shall not affect the rights of any Insured as respects any claim or suit by any other Insured, or by any employee of such other Insured. The Policy shall insure each Insured in the same manner as though a separate policy had been issued to each and the Underwriters hereby agree to waive all rights of subrogation which they may have or acquire against any party insured hereon arising out of an accident or occurrence in respect of which any claim is made hereunder. PROVIDED NEVERTHELESS that nothing contained herein shall operate to increase the Underwriters liability as set forth elsewhere in the Policy beyond the amount or amounts for which the Underwriters would have been liable if only one Insured had been named.

LSW715 (12/93)

DATE RECOGNITION LIMITED COVERAGE CLAUSE

WHEREAS the Policy of which this Endorsement forms part includes the Date Recognition Exclusion Clause AVN 2000(A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, AVN 2000(A) Clause shall not apply to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:

- (1) accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an aircraft accident occurring during the Policy period and arising out a risk insured under the Policy; and/or
- (2) accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an accident, other than an aircraft accident, occurring during the Policy period and arising out a risk insured under the Policy. For the avoidance of doubt, solely for the purpose of this paragraph (2) and without prejudice to the meaning of the words in any other context, "bodily injury" shall mean only physical corporeal injury and unless arising directly there from shall not include mental or psychological injury.

PROVIDED THAT:

1. Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Policy.
2. Nothing in this Endorsement shall provide any coverage:
 - (a) applying in excess of any scheduled underlying insurance and/or in respect of any non aviation risks; an/or
 - (b) in respect of grounding of any aircraft; and/or
 - (c) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Policy.
3. The Insured recognises that the Insurers consider the information provided by the Insured in the application form, and/or other documentation provided, to be material to their decision to issue this Endorsement. The Insured further agrees that it has a continuing obligation to disclose in writing to the Insurers during the Policy period any additional material facts relating to the Date Recognition Conformity to the Insured's operations, equipment and products.

AVN 2002(A)

PREMIUM SETTLEMENT CLAUSE

- 1) It is understood and agreed that the premium due at the inception of this Policy shall be payable in the following instalments:

- 2) In the event of a claim hereunder which exceeds the instalments of premium paid on this Policy, the instalments of premium then outstanding shall become payable forthwith.
- 3) Notwithstanding any cancellation provision contained within the Policy, in the event that an instalment of premium is not paid by its due Insurers shall have the right to terminate the cover afforded by the Policy to the Insured and any other party(ies) protected thereby, whether by endorsement or otherwise, by the giving of not less than Thirty (30) days notice in writing to the Appointed Broker. Notice shall be deemed to commence from the date such notice is given by the Insurers.

Appointed Broker: RESPECT, a.s.
AVN 6A

(RE)INSURERS LIABILITY CLAUSE**LMA3333****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

AVN 100 FRAUDULENT CLAIMS

An Insured shall not in the presentation and furtherance of any claim:

- (a) deliberately or recklessly conceal from Insurers any information which he knows or ought to know might be material to their consideration of any claim;

- (b) provide to Insurers information, which he knows to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
- (c) otherwise use fraudulent means or devices, including suppressing a known defense to Insurers' liability.

In any such event the Insurers shall have the option to refuse to pay the whole or any part of the claim to such Insured.

In the circumstances set out in sub-paragraph (b) above, Insurers shall also have the option to:

- (i) terminate the cover provided by all sections of the Policy to such Insured with effect from the date of the event relied upon for the claim;
- (ii) recover any sums paid to such Insured in respect of losses occurring on or after the date of the event relied upon for the claim; and
- (iii) retain any and all premium paid by such Insured.

If any provision of this clause is in conflict with the law governing the Policy it shall be of no effect to the extent of such conflict.

AVN 100 26.7.08

AVIATION HULL “WAR AND ALLIED PERILS” INSURANCE POLICY

LSW555F 12/08/16

(to be used where the UK Insurance Act 2015 does not apply)

POLICY SCHEDULE

1. **Policy Number:**

400 040 383

2. **Insured:**

Czech Airlines Handling (CSAH) and/or Czech Airlines Technics (CSAT) and all associated and/or affiliated and/or subsidiary companies and/or their employees and/or agents jointly and severally for their respective rights and interests.

3. **Address of Insured:**

CSAH: Prague 6, Aviaticka 1017/2, PSC 160 08, Czech Republic
CSAT: Praha 6 - Ruzyne, Jana Kaspara 1069/1, PSC 16008, Czech Republic

4. **Additional Insured(s):**

n/a

5. **Approved lienholder(s) for breach of warranty protection:**

n/a

6. **Schedule of Aircraft:**

n/a

but terms and conditions of this Policy to be applied for Aircraft Spares "War and Allied Perils" coverage

7. **Geographical Limits:**

Worldwide

8. **Excluding Confiscation, etcetera by Government(s) of:**

None

9. **Policy Period:**

From: 1st December 2017

To: 30th November 2018

Both days inclusive local standard time at the address of the Original Insured.

10. **Limit of Policy:**

USD 100,000,000 any one occurrence and/or sending

Deductibles: USD 10,000 any one occurrence and/or sending

11. **Law and Jurisdiction:**

Czech Republic

12. **Premium:**

Included within Premium charged

SECTION ONE: LOSS OF OR DAMAGE TO AIRCRAFT

This Section of the Policy covers loss of or damage to the Aircraft as stated in the Schedule of Aircraft, up to the Agreed Value of the Aircraft as stated in the Schedule of Aircraft, against claims excluded from the Insured's Hull "All Risks" Policy as caused by the following occurrences during the Policy Period:

- (a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) strikes, riots, civil commotions or labour disturbances.
- (c) any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (d) any malicious act or act of sabotage.
- (e) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.
- (f) hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured. For the purpose of this paragraph (f) only, an Aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the Aircraft is in motion. A rotor-wing Aircraft shall be deemed to be in flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

Furthermore, this Section of the Policy covers claims excluded from the Insured's Hull "All Risks" Policy from occurrences whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the Geographical Limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

SECTION TWO: EXTORTION AND CONFISCATION/HI-JACK EXPENSES

1. This Section of the Policy will indemnify the Insured up to the limit stated in the Policy Schedule, for:
 - (a) any payment properly made in respect of threats against any Aircraft stated in the Schedule of Aircraft or its passengers or crew made during the Policy Period.
 - (b) extra expenses necessarily incurred following confiscation, etcetera (as Section One of this Policy, clause (e)) or hi-jacking, etcetera (as Section One of this Policy clause (f)) of any Aircraft stated in the Schedule of Aircraft.
2. No cover will be provided under this Section of the Policy in any territory where such insurance is not lawful, and the Insured is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities.

SECTION THREE: GENERAL EXCLUSIONS

This Policy excludes loss, damage or expense caused by one or any combinations of any of the following:

- (a) war (whether there be a declaration of war or not) between any of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if any Aircraft is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such Aircraft until the said Aircraft has completed its first landing thereafter.
- (b) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government(s) stated in the Policy Schedule, or any public or local authority under its jurisdiction.
- (c) the emission, discharge, release or escape of any chemical, biological or biochemical materials or the threat of same but this exclusion shall not apply:
 - (i) if such materials are used or threatened to be used solely and directly in:
 1. the hi-jacking, unlawful seizure or wrongful exercise of control of an Aircraft in flight and then only in respect of loss of or damage to such Aircraft the subject of a valid claim under clause (f) Section One of this Policy; or
 2. any threat against an Aircraft or its passengers or crew and then only in respect of payments as are insured under Section Two of this Policy;
 - (ii) other than as provided for in sub-paragraph 1 above, to loss of or damage to an Aircraft if the use of such materials is hostile and originates solely and directly:
 1. on board such Aircraft, whether it is on the ground or in the air.

or

 2. external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are not in contact with the ground.

Any emission, discharge, release or escape originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Policy.
- (d) any debt, failure to provide bond or security or any other financial cause under court order or otherwise.
- (e) the repossession or attempted repossession of the Aircraft either by any title holder, or arising out of any contractual agreement to which any Insured protected under this Policy may be party.
- (f) delay, loss of use, or except as specifically provided in Section Two of this Policy any other consequential loss; whether following upon loss of or damage to the Aircraft or otherwise.
- (g) any use, hostile or otherwise, of radioactive contamination or matter but this exclusion shall not apply to loss of or damage to an Aircraft if such use is hostile and originates solely and directly:
 - (i) on board such Aircraft, whether it is on the ground or in the air, or
 - (ii) external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are no longer in contact with the ground

Any such use originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Policy.

- (h) any use, hostile or otherwise, of an electromagnetic pulse but this exclusion shall not apply to loss of or damage to an Aircraft if such use originates solely and directly on board such Aircraft, whether it is on the ground or in the air.
- (i) any detonation, hostile or otherwise, of any device employing atomic or nuclear fission and/or fusion or other like reaction, and notwithstanding (g) and (h) above, any radioactive contamination and electromagnetic pulse resulting directly from such detonation is also excluded by this Policy.

SECTION FOUR: GENERAL CONDITIONS

- | | | |
|---|----|---|
| Follow the Insured's
Hull "All Risks"
Policy | 1. | This Policy is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self insurance provision where applicable AND EXCEPT AS OTHERWISE PROVIDED IN THIS POLICY) as are contained in or may be added to the Insured's Hull "All Risks" Policy. |
| Maintenance of
the Insured's Hull
Risks" Policy | 2. | The Insured shall maintain in full force and effect the Hull "All Risks" Policy during the Policy Period of this Policy. All Aircraft as stated in the Schedule "All of Aircraft must be insured under the Insured's Hull "All Risks" Policy. If the Insured's Hull "All Risks" Policy is not so maintained in full effect at all times during the Policy Period of this Policy, coverage under this Policy shall immediately cease. |
| Material Change | 3. | Should there be any Material Change in the nature or area of the Insured's operations, the Insured shall give immediate notice of such Change to the Insurers; no claim arising subsequent to a Material Change over which the Insured had control shall be recoverable hereunder unless such change has been accepted by the Insurers.

"Material Change" shall be understood to mean any change in the operation of the Insured which might reasonably be regarded by the Insurers as increasing their risk in degree or frequency, or reducing possibilities of recovery or subrogation. |
| Due Observance | 4. | The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy shall be conditions precedent to any liability of the Insurers to make any payment under this Policy; in particular the Insured should use all reasonable efforts to ensure that they comply and continue to comply with the laws (local or otherwise) of any country within whose jurisdiction the Aircraft may be, and to obtain all permits necessary for the lawful operation of the Aircraft. |
| Contractual
Agreements | 5. | Subject always to the provisions of Section Five of this Policy, and the Policy Schedule, the Insurers agree to follow the Insured's Hull "All Risks" Policy in respect of breach of warranty cover, hold harmless agreements and waivers of rights of subrogation. |

Fraudulent Claims
AVN 100A

6. An Insured shall not in the presentation and furtherance of any claim:
- (a) deliberately or recklessly conceal from Insurers any information which the Insured knows or ought to know might be material to their consideration of any claim;
 - (b) provide to Insurers information, which the Insured knows to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
 - (c) otherwise use fraudulent means or devices, including suppressing a known defence to Insurers' liability.

In any such event the Insurers shall have the option to refuse to pay the whole or any part of the claim to such Insured.

In the circumstances set out in sub-paragraph (b) above, Insurers shall also have the option to:

- (i) terminate the cover provided by all sections of the Policy to such Insured with effect from the date that such information was provided;
- (ii) recover any sums paid to such Insured in respect of losses occurring on or after the date that such information was provided; and
- (iii) retain any and all Premium paid by such Insured.

If any provision of this clause is in conflict with the law governing this Policy it shall be of no effect to the extent of such conflict.

Law and
Jurisdiction

7. This Policy shall be governed by and construed in accordance with the law of the country as stated in the Policy Schedule whose courts shall have exclusive jurisdiction in any dispute arising under this Policy.

Sanctions
and Embargo
Clause AVN 111

8. Notwithstanding anything to the contrary in this Policy the following shall apply:
- (a) If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.
 - (b) In circumstances where it is lawful for an Insurer to provide coverage under this Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorisation to make such payment.

- (a) In the event of any law or regulation becoming applicable during the Policy Period which will restrict the ability of an Insurer to provide coverage as specified in paragraph (a), then both the Insured and the Insurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to this Policy provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the Premium for the period that this Policy has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata Premium (as applicable) due to the Insurer, and in the absence of a more specific provision in this Policy relating to the return of Premium, any return Premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return Premium.

Claims Notification 9. Immediate notice of any circumstances likely to result in a claim under this Policy must be given to Insurers, via the party named in the Policy Schedule.

SECTION FIVE: CANCELLATION REVISION AND AUTOMATIC TERMINATION

- Amendment of Terms or Cancellation 1.(a) Insurers may give notice, effective on the expiry of 7 days from midnight Greenwich Mean Time on the day on which notice is issued, to review the rate of Premium and/or Geographical Limits of this Policy. In the event of the review of the rate or Premium and/or the Geographical Limits not being accepted by the Insured than at the expiry of the said 7 days, this Policy shall become cancelled at that date.
- Automatic Review of Terms or Cancellation (b) Notwithstanding 1(a) above, this Policy is subject to automatic review by Insurers of the rate of Premium and/or conditions and/or Geographical Limits of this Policy effective on the expiry of 7 days from the time of any hostile detonation of any device including any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the insured Aircraft may be directly affected. In the event of the review of the rate of Premium and/or conditions and/or Geographical Limits not being accepted by the Insured then at the expiry of the said 7 days, this Policy shall become cancelled at that date.
- Cancellation by Notice (c) This Policy may be cancelled by the Insured or the Insurers giving notice not less than 7 days prior to the end of each period of 3 months from inception of this Policy.
- Automatic Termination 2. Whether or not such notice of cancellation has been given this Policy shall terminate automatically upon the outbreak of war (whether there be a declaration of war or not) between any of the following states, namely, the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China.

PROVIDED THAT if the Aircraft is in the air when such outbreak of war occurs then this Policy, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such Aircraft until the said Aircraft has completed its first landing thereafter.

Attaching to and forming part of**AVIATION HULL "WAR AND ALLIED PERILS" INSURANCE POLICY number 400 040 383****Endorsement Number 1**

It is hereby understood and agreed that with effect from 01st December 2017 the following are agreed hereunder:

- this Policy shall include Property being only Engines, Spare Parts and Equipment destined to be fitted to or to form part of an aircraft and being the property of Insured or the property of others for which Insured is responsible, while such property is in the care, custody or control of Insured on the ground, or is being carried as cargo in transit, by air (including Insured's aircraft) and/or steamers (approved or held covered at a premium to be arranged) and/or road and/or rail and/or conveyance.
- Paragraphs 1(b), 1(c), 1(d), 1(e) and 1(f) of Section One of LSW555F apply, including whilst the Spares and Equipment are in transit by any means of conveyance, and

Paragraph 1(a) of Section One of LSW555F applies whilst the Spares and Equipment are in transit by air and/or sea in accordance with the Duration Transit Clause below.

- The following amendments shall be made to the Policy to which this coverage applies:

(a) General Exclusion (a) of Section 3 is amended to read as follows:

War (whether there be a declaration of war or not) between any of the following States, namely, the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if the Aircraft is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such Aircraft until the said Aircraft has completed its first landing thereafter; this exclusion shall not apply to Spares and Equipment in transit by air or sea until the transit is completed.

(b) Paragraph 2 of Section 5 is amended to read as follows:

Whether or not such notice of cancellation has been given this Policy shall **TERMINATE AUTOMATICALLY** Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China.

PROVIDED THAT if the Aircraft is in the air when such outbreak of war occurs then this Policy, subject to its terms and conditions and provided not otherwise cancelled or terminated, will be continued in respect of such Aircraft until the said Aircraft has completed its first landing thereafter. In respect of Spares and Equipment in transit by air or sea this Policy, subject to its terms and conditions and provided not otherwise cancelled or terminated, will be continued in respect of such Spares and Equipment until the transit is completed.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE

The rights of a person who is not a party to this insurance or reinsurance to enforce a term of this insurance or reinsurance and/or not to have this insurance or reinsurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this insurance or reinsurance.

AVN 72 9.2.2000

Sanctions and Embargo Clause

Notwithstanding anything to the contrary in the Policy the following shall apply:

1. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.
2. In circumstances where it is lawful for an Insurer to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorisation to make such payment.
3. In the event of any law or regulation becoming applicable during the Policy period which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium for the period that the Policy has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Policy relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

AVN 111 01.10.10

DATE RECOGNITION EXCLUSION CLAUSE

This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

(a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process exchange or transfer year, date or time data or information in connection with:

- the change of year from 1999 to 2000; and/or
- the change of date from 21 August 1999 to 22 August 1999; and/or
- any other change of year, date or time;

whether on or before or after such change of year, date or time;

(b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;

(c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

AVN 2000 A 22.4.98

DATE RECOGNITION LIMITED COVERAGE CLAUSE

WHEREAS the Policy of which this Endorsement forms part includes the Date Recognition Exclusion Clause AVN 2000(A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, AVN 2000(A) shall not apply:

- (1) to any accidental loss of or damage to an aircraft defined in the Policy Schedule ("Insured Aircraft");
- (2) to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:
 - (a) accidental bodily injury, fatal or otherwise, to passengers caused by an accident to an Insured Aircraft; and/or
 - (b) loss of or damage to baggage and personal articles of passengers, mail and cargo caused by an accident to an Insured Aircraft; and/or
 - (c) accidental bodily injury, fatal or otherwise, and accidental damage to property caused by an Insured Aircraft or by any person or object falling therefrom.

PROVIDED THAT:

1. Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Policy.
2. Nothing in this Endorsement shall provide any coverage:
 - (a) in respect of grounding of any aircraft; and/or
 - (b) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Policy.
3. The Insured recognises that the Insurers consider the information provided by the Insured in the application form, and/or other documentation provided, to be material to their decision to issue this Endorsement. The Insured further agrees that it has a continuing obligation to disclose in writing to the Insurers during the Policy period any additional material facts relating to the Date Recognition Conformity to the Insured's operations, equipment and products.

AVN 2001(A)

(Applicable to Hull and Aircraft Liability Coverage)

(RE)INSURERS LIABILITY CLAUSE**LMA3333****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The

business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

DURATION TRANSIT CLAUSE

1. This insurance

1.1. attaches only as the Spares and Equipment insured and as to any part as that part is loaded on an oversea vessel or an aircraft for the commencement of a sea or air transit

and

1.2. terminates, subject to 2. and 3. below, either as the Spares and Equipment insured and as to any part as that part is discharged from an oversea vessel or aircraft at the final port or place of discharge,

or

on expiry of 15 days counting from midnight of the day of arrival of the vessel or aircraft at the final port or place of discharge,

whichever shall first occur;

nevertheless, such insurance

1.3. reattaches when, without having discharged the Spares and Equipment insured at the final port or place of discharge, the vessel sails therefrom, or the aircraft departs therefrom,

and

1.4. terminates, subject to 2. and 3. below, either as the Spares and Equipment insured and as to any part as that part is thereafter discharged from the vessel or the aircraft at the final (or substituted) port or place of discharge,

or

on expiry of 15 days counting from midnight of the day of re-arrival of the vessel or aircraft at the final port or place of discharge or arrival of the vessel or aircraft at a substituted port or place of discharge;

whichever shall first occur.

2. If during the insured voyage or transit the overseas vessel or aircraft arrives at an intermediate port or place to discharge the Spares and Equipment insured for on-carriage by overseas vessel or by aircraft, or the goods are discharged from the vessel at a port or place of refuge, then subject to 3. below, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel or aircraft at such port or place, but thereafter reattaches as the Spares and Equipment insured and as to any part as that part is loaded on an on-carrying overseas vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the Spares and Equipment insured and as to any part as that part is at such intermediate port or place
3. If the voyage or air transit in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port or place of discharge and such insurance terminates in accordance with 1.2. If the Spares and Equipment insured are subsequently reshipped or consigned to the original or any other destination, then such insurance reattaches
 - 3.1 in the case of the Spares and Equipment insured having been discharged, as the Spares and Equipment insured and as to any part as that part is loaded on the on-carrying vessel for the voyage or the on-carrying aircraft for transit;
 - 3.2 in the case of the Spares and Equipment insured not having been discharged, when the vessel sails or the aircraft departs from such deemed final port or place of discharge;thereafter such insurance terminates in accordance with 1.4.
4. This insurance shall remain in force during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to shipowners, charterers or air carriers under a contract of carriage.

SUBJECT ALWAYS TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS.