



HAYWARD AVIATION LIMITED

INSURANCE BROKERS

Aviation Insurance



CERTIFICATE OF INSURANCE

effected with

**QBE AVIATION SYNDICATE 5555 ED
WHO ARE INSURERS AT LLOYD'S, LONDON**

by

HAYWARD AVIATION LIMITED

THIS IS TO CERTIFY that in accordance with the terms and conditions granted under the Contract Number as shown in the Schedule to Hayward Aviation Limited by certain Insurers at Lloyd's comprising of QBE Aviation Syndicate 5555 ED (hereinafter referred to as Insurers), whose names and proportions underwritten by them are shown in the Schedule, can also be ascertained by reference to the said Contract which bears the seal of Lloyd's Policy Signing Office and in consideration of the premium specified herein, the said Insurers are hereby bound each for his own part and not one for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

Marginal captions are inserted for the purpose of convenient reference only and are not to be deemed part of this Certificate.

The Insurers hereby agree to insure against loss, damage or liability arising from an accident occurring during the period of insurance to the extent and in the manner hereinafter provided.

SECTION I LOSS OF OR DAMAGE TO THE AIRCRAFT

Cover

In respect of those risks and aircraft which are indicated in Items 4. and 5. of the Schedule as being covered the Insurers will at their option pay for or make good accidental loss of or damage to the aircraft including disappearance if the aircraft is unreported for ten days after the commencement of flight, but not exceeding the value as shown in the Schedule.

Cover

Exclusions applicable to Section I only but not applicable in the event of Total Loss of the Aircraft

This Section does not cover the costs of making good:

- 1. wear and tear, deterioration, breakdown, defect or failure howsoever caused in any Unit or part of the aircraft and the consequence thereof within the Unit or part;**
- 2. ingestion by any Unit of anything having a progressive or cumulative damage effect but damage attributable to a single recorded incident is covered in accordance with the paragraph headed "Cover" above;**

*Wear/Tear/
Breakdown*

Ingestion

but subsequent accidental loss of or damage to the aircraft is covered in accordance with the paragraph headed "Cover" above.

Conditions applicable to Section I only

1. In the event of loss of or damage to the aircraft:
 - a. except where the Insurers pay for the aircraft the Insured shall bear in respect of each and every claim the Deductible Amount(s) as stated in Item 6. of the Schedule and/or endorsed hereon;

Nevertheless in the event of an accident arising hereunder involving the application of more than one Deductible ONLY ONE Deductible and that being the highest Deductible applicable to the accident shall be applied as an aggregate Deductible for all losses arising out of that one accident;
 - b. no dismantling or repairs shall be commenced without the consent of the Insurers but the Insured may at the Insurers' expense take such steps as he thinks are necessary in the interests of safety, or to prevent further damage or to comply with orders given under authority of any applicable law;
 - c. unless otherwise agreed, the Insurers will only pay for repairs and transport of labour and materials by the most reasonably practical method be it surface or air.
2. No claim shall be payable under this Section if other insurance which is payable in consequence of loss or damage covered under this Section has been or shall be effected by or on behalf of the Insured without the knowledge or consent of the Insurers.

Deductible

*Dismantling/
Repairs*

Transport

Other insurance

3. If the Insurers pay for the aircraft, it is a condition of such payment that: *Payment*
- a. the Insurers may elect to take the aircraft (together with all documents of record, registration and title thereto) as salvage;
 - b. the cover afforded by this Section is terminated in respect of the aircraft even if the aircraft is retained by the Insured for valuable consideration or otherwise;
 - c. unless the Insurers elect to take the aircraft as salvage the aircraft shall at all times remain the property of the Insured who shall have no right of abandonment to the Insurers. *No Abandonment*

4. From each claim under this Section arising out of the same accident or recorded incident there shall be deducted such proportion of the Overhaul Cost of any Unit repaired or replaced as the time used bears to the Overhaul Life of the Unit. *Betterment*

As used herein:

"UNIT" means an assembly of parts (including any sub-assemblies) of the aircraft which has been assigned an Overhaul Life as an assembly. An engine complete with all parts normally attached when removed for the purpose of overhaul or replacement shall together constitute a single Unit;

"OVERHAUL LIFE" means the amount of use, or operational and/or calendar time which, according to the Airworthiness Authority determines when overhaul or replacement of a Unit is required;

"COST OF UNIT OVERHAUL" means the cost of labour and materials which are or would be incurred in overhaul or replacement (whichever is necessary) at the end of the Overhaul Life of the damaged or a similar Unit.

5. This Section also covers, without the application of a Deductible the cost of dismantling the aircraft in the event of the aircraft, through force majeure or error in judgment, having alighted in any place from which it is unable to take off again together with the cost of transport from the place of alighting to the nearest suitable airport or the Insured's home base and the cost of reassembling the aircraft there even if no damage to the aircraft has been sustained. *Forced Landing*

SECTION II THIRD PARTY LIABILITY

Cover

In respect of those risks and aircraft which are indicated in Items 4. and 5. of the Schedule as being covered the Insurers will pay on behalf of the Insured and also jointly or severally with the Insured:

Cover

- a. the pilot(s) as stated in the Schedule;
- b. any person competent for that purpose who with the Insured's permission is taxiing or otherwise operating (excluding flying) the insured aircraft;

all sums which they shall become legally liable to pay as damages in respect of accidental Bodily Injury and accidental Property Damage caused by the insured aircraft or by any person or object falling therefrom.

Exclusions applicable to Section II only

This Section excludes liability for:

1. **Bodily Injury sustained by any person while acting in the course of their employment by the Insured;** *Employees and Others*
2. **Bodily Injury or Property Damage sustained by any passenger while entering, on board or alighting from the aircraft;** *Passengers*
3. **Property Damage to any property belonging to, or in the care, custody or control of the Insured;** *Insured's Property*
4. **Bodily Injury or Property Damage sustained by any member of the flight or cabin crew or other persons engaged in the operation of the aircraft, but this exclusion shall not apply in respect of liability for Bodily Injury or Property Damage sustained by any person including crew members while starting or attempting to start the engine(s) of the insured aircraft.** *Operational Crew*
- 5.1 **Claims directly or indirectly occasioned by happening through or in consequence of:** *Noise and Pollution and Other Perils*
 - 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 a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
- 5.2 **With respect to any provision in the Certificate concerning the duty of the Insurers to investigate or defend claims, such provision shall not apply and the Insurers shall not be required to defend:**
 - a. **claims excluded by paragraph 5.1 or**
 - b. **a claim or claims covered by the Certificate when combined with any other claims excluded by paragraph 5.1 (referred to below as "Combined Claims");**

5.3 In respect of Combined Claims, the Insurers shall (subject to proof of loss and the limits of the Certificate) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Certificate:

- a. damages awarded against the Insured and**
- b. defence fees and expenses incurred by the Insured.**

5.4 Nothing herein shall override any Nuclear Risks or other such exclusion Clause attached to or forming part of this Certificate.

5.5 Notwithstanding anything to the contrary contained in paragraph 5.1 a. it is agreed that this Certificate covers claims caused by the noise of an identified aircraft indicated as being covered in Item 5. of the Schedule up to a limit of GBP 100,000 (or equivalent in other currencies) any one accident subject to the Insured bearing as a deductible the first GBP 500 (or equivalent in other currencies) of each claim.

Noise Coverage

SECTION III LEGAL LIABILITY TO PASSENGERS/BAGGAGE/ CARGO/MAIL

Cover

In respect of those risks and aircraft which are indicated in Items 4. and 5. of the Schedule as being covered the Insurers will pay on behalf of the Insured and also jointly or severally with the Insured:

Cover

- a. the pilot(s) as stated in the Schedule;
- b. any person competent for that purpose who with the Insured's permission is taxiing or otherwise operating (excluding flying) the insured aircraft;

all sums which they shall become legally liable to pay as damages in respect of:

- a. accidental Bodily Injury to passengers while entering, on board or alighting from the aircraft;
- b. accidental Property Damage to the baggage or personal effects of passengers whilst the responsibility of or in the care, custody or control of the Insured;
- c. accidental Property Damage to cargo/mail whilst the responsibility of or in the care, custody or control of the Insured, whether in the air or on the ground including whilst in the process of loading or unloading.

Bodily Injury

*Baggage/
Personal Effects*

Cargo/Mail

Exclusions applicable to Section III only

This Section excludes liability for Bodily Injury sustained by any:

1. **any person while acting in the course of their employment by the Insured;**
2. **member of the aircrew (except any person receiving instruction) whilst acting as pilot, co-pilot or crew of the insured aircraft.**

Employees and Others

Aircrew

SECTION IV LEGAL LIABILITY TO AIRCREW

Cover

In respect of those risks and aircraft which are indicated in Items 4. and 5. of the Schedule as being covered the Insurers will pay on behalf of the Insured and also jointly or severally with the Insured:

Cover

- a. the pilot(s) as stated in the Schedule;
- b. any person competent for that purpose who with the Insured's permission is taxiing or otherwise operating (excluding flying) the insured aircraft;

all sums which they shall become legally liable to pay as damages in respect of:

- a. accidental Bodily Injury to pilots, co-pilots or crew;
- b. accidental Property Damage to the baggage or personal effects of pilots, co-pilots or crew whilst the responsibility of or in the care, custody or control of the Insured.

Bodily Injury

*Baggage/Personal
Effects*

Exclusions applicable to Section IV only

This Section excludes liability for:

1. **Bodily Injury or Property Damage sustained by any member of the aircrew receiving instruction whilst acting as pilot, co-pilot or crew of the insured aircraft;**
2. **Bodily Injury or Property Damage sustained by any crew member whilst starting or attempting to start the engine(s) of the insured aircraft;**
3. **Bodily Injury sustained by any person while acting in the course of their employment by the Insured.**

Instruction

Crew Member

*Employees and
Others*

LIMIT, COSTS AND EXPENSES UNDER SECTIONS II, III AND IV

The liability of the Insurers under Sections II, III and IV shall not exceed the applicable limits stated in Item 7. of the Schedule. The Insurers will in addition pay any costs and expenses awarded against the Insured and defray any costs and expenses incurred with their written consent in defending any action which may be brought against the Insured in respect of any claim for damages covered by this Certificate but should the amount paid or awarded in settlement of such claim exceed the applicable limit of indemnity as stated in Item 7. of the Schedule then the liability of the Insurers in respect of such costs and expenses incurred with their consent shall be limited to that proportion of the costs and expenses which the limit of indemnity hereunder bears to the amount paid for damages.

GENERAL EXCLUSIONS

This Certificate does not apply:

1. Whilst the aircraft is being used: *Excluded Uses*
 - a. for any illegal purpose;
 - b. for any purpose other than those stated in the Schedule.
2. Whilst the aircraft is outside the geographical limits stated in the Schedule unless due to force majeure. *Geographical Limits*
3. Whilst the aircraft is being piloted by any person other than as stated in the Schedule provided that the aircraft may, with the Insured's permission, be taxied or otherwise operated (excluding flying) by any licenced engineer or other person competent for that purpose. *Pilots*

However, no claim under this Certificate shall be rejected on the grounds that the aircraft was used in a place or in a manner or by a person not permitted by this Certificate provided such use was not authorised by the Insured and the Insured had taken reasonable precautions to prevent such unauthorised use. Any consent given by a servant or agent of the Insured outside the normal scope of his authority shall not be deemed to be an authorisation granted by the Insured. *Unauthorised Use*

4. Whilst the total number of passengers being carried in the aircraft exceeds the declared maximum number of passengers stated in the Schedule. If in any accident resulting in a claim under this insurance the number of passengers in the aircraft exceeds the number stated in the Schedule, then providing the carriage of such persons in excess of such maximum is not in breach of any regulations, this insurance shall nevertheless remain effective. *Number of Passengers*

5. To claims which are payable by any other insurance certificate or policy/ies covering the same subject matter and interest except in respect of any excess beyond the amount which would have been payable under such other insurance certificate or policy/ies had this insurance not been effected. *Non-Contribution*

- 6.1 This Certificate does not cover: *Nuclear Risks Exclusion Clause*

- a. loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting therefrom or any consequential loss;
- b. 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.

6.2 It is understood and agreed that such radioactive material or other radioactive source in paragraph 6.1 b. and c. above shall not include:

- a. depleted uranium and natural uranium in any form;
- b. radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

6.3 This Certificate, 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:

- a. the Insured under this Certificate is also an insured or an additional insured under any other insurance certificate, including any nuclear energy liability certificate; or
- b. any person or organisation is required to maintain financial protection pursuant to legislation in any country; or
- c. the Insured under this Certificate is, or had this Certificate not been issued would be, entitled to indemnification from any government or agency thereof.

6.4 Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 6.2 shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Certificate) be covered, provided that:

- a. 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;
- b. this Certificate shall only apply to an incident happening during the period of this Certificate 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;
- c. 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:

<u>Emitter</u> <u>(IAEA Health and Safety Regulations)</u>	<u>Maximum permissible level of non-</u> <u>fixed radioactive surface</u> <u>contamination (Averaged over</u> <u>300cm²)</u>
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)

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

7. **Bodily Injury or Property Damage which it is compulsory to insure in accordance with the requirement of any Road Traffic Act or like Acts.**

*Road Traffic Act
Liability*

8. **This Certificate does not cover claims caused by:**

*War and Other
Perils*

- 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 Certificate does not cover claims arising 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 Certificate 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).

9. **The rights of a person who is not a party to this insurance to enforce a term of this insurance and/or not to have this insurance 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.**

*Contracts (Rights
of Third Parties)
Act 1999*

- 10. This Certificate 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 Certificate concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

CONDITIONS PRECEDENT APPLICABLE TO ALL SECTIONS

1. **It is necessary that the Insured observes and fulfils the following Conditions before the Insurers have any liability to make payment under this Certificate.**
2. The Insured shall use due diligence and do and concur in doing everything reasonably practicable to avoid accidents and to avoid or diminish any loss, damage or liability hereon.
3. The Insured shall comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the aircraft and shall ensure that:
 - a. the aircraft is airworthy at the commencement of each flight;
 - b. all log books and other records in connection with the aircraft which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the Insurers or their Agents on request;
 - c. the employees and agents of the Insured comply with such orders and requirements.
4. Immediate notice of any event likely to give rise to a claim under this Certificate shall be given to:

Due Diligence

*Compliance with
Air Navigation
Orders etc.*

Claim Procedure

Hayward Aviation Limited

In all cases the Insured shall furnish full particulars in writing of such event and shall forward immediately notice of any claim by a third party, passenger or aircrew member and any letters or documents relating thereto and shall give notice of any impending prosecution and shall render such further information and assistance as the Insurers may reasonably require and shall not act in any way to the detriment or prejudice of the interest of the Insurers. The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurers.

The Insurers shall be entitled (if they so elect) at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim.

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

- 1. The Insured shall keep the Insurers informed of the progress of any official investigation of an accident and shall permit the Insurers to advise in connection therewith. *Accident Investigation*
- 2. Except where the Insured has agreed to waive rights of subrogation under Special Provision 5., upon an indemnity being given or a payment being made by the Insurers, the Insurers shall succeed to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurers to exercise such rights and remedies. *Subrogation*
- 3. Should there be any change in the circumstances or nature of the risks which are the basis of this contract, the Insured shall give immediate notice thereof to Hayward Aviation Limited and no claim arising subsequent to such change shall be recoverable hereunder unless confirmation that such change has been accepted by the Insurers is received by the Insured. *Variation in Risk*
- 4. This Certificate may be cancelled at any time by the Insured or by the Insurers giving thirty days notice in writing of such cancellation. In the event of cancellation by the Insurers they will return in respect of the unexpired period a pro rata portion of the premium. In the event of cancellation by the Insured the return shall be calculated in accordance with the following short rate scale. There will be no return of premium in respect of any aircraft on which a loss adjustable on the basis of a total loss has been or shall be paid under this Certificate. *Cancellation*

<u>CERTIFICATE IN FORCE</u>	<u>% OF PREMIUM TO BE RETURNED</u>
1 to 30 days	80%
31 to 60 days	70%
61 to 90 days	60%
91 to 120 days	50%
121 to 150 days	40%
151 to 180 days	30%
181 to 210 days	25%
211 to 240 days	20%
241 to 270 days	15%
271 days or more	0%.

- 5. Notwithstanding any provision as to notice of cancellation contained in the above, in the event of any instalment of premium not being paid by its due date Insurers shall have the right to terminate the cover afforded by this Certificate by giving not less than ten days notice in writing. *Deferred Premiums*

In the event of a claim hereunder all premiums due on that insured aircraft shall be payable forthwith.
- 6. This Certificate shall not be assigned in whole or in part except with the consent of the Insurers verified by endorsement hereon. *Assignment*
- 7. This Certificate is not and parties hereto expressly agree that it shall not be construed as a Certificate of marine insurance. *Not Marine Insurance*

8. This insurance shall be governed by the law of England and Wales whose courts shall have exclusive jurisdiction in any dispute arising between the Insured and the Insurers. Notwithstanding the foregoing if the Insured and Insurers shall both agree, such dispute may be dealt with by Arbitration or other means of Alternative Dispute Resolution.

Arbitration

9. The inclusion of more than one person, partnership, corporation, organization, firm or entity as an Insured under this Certificate whether by endorsement or otherwise shall not in any way affect the rights of any such person, partnership, corporation, organization, firm or entity either in respect of any claim, demand, suit or judgment made or brought by or in favour of any other Insured, or by or in favour of any employee of such other Insured.

Cross Liability

It is the intent of this Certificate to protect each person, partnership, corporation, organization, firm or entity in respect of any claim, demand, suit or judgment in the same manner as though a separate Certificate had been issued for each.

For the purpose of this General Condition 9. where the Insured is a "Club", "Group", "Partnership" or "Syndicate", the Committee and/or each individual member of the Insured shall be considered as separate entities.

*Member to
Member Liability*

10. Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurers in respect of any or all Insureds' shall not exceed the limits of indemnity set forth in the Schedule.

*Limitation
of Liability*

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

*False or
Fraudulent Claims*

DEFINITIONS

1. "Flight" or "flying" means from the time the aircraft moves forward in taking off or attempting to take off for the actual air transit, whilst in the air and until the aircraft completes its landing run.
2. "Taxiing" means intentional movement by the aircraft under its own power other than for the purpose of flight as defined. Taxiing shall not be deemed to cease merely by reason of a temporary halting of the aircraft.
3. "Transported" means while the aircraft is being moved from one place to another other than by flying or taxiing as defined.
4. "Ground" means while the aircraft is not in Flight or Taxiing or being Transported as defined.
5. "Private Business and Pleasure" means use for private business and pleasure purposes including all forms of instruction (but excluding ab-initio instruction) and for the Insured's business or profession, but excluding any use for hire or reward.
6. "Rental" means the uses stated in Private Business and Pleasure plus specifically amended to include all forms of instruction, including ab-initio instruction of up to five named pilots throughout the policy period and/or aerial photography and/or rental, lease, hire or charter by the Insured to any person, company or organization for Private Business and Pleasure uses only, where the operation of the aircraft is not under the control of the Insured.
7. "Club" means the uses stated in Private Business and Pleasure plus uses stated in Rental plus specifically amended to include rental to Club members, all forms of instruction including ab-initio instruction, the carriage of passengers for hire or reward, parachuting and glider towing.
8. "Commercial" means the uses stated in Private Business and Pleasure and specifically amended to include all forms of instruction (but excluding ab-initio instruction) aerial photography and the carriage of passengers/cargo/mail for hire or reward.

Definitions 5., 6., 7. and 8. constitute Standard Uses and do not include hunting, patrol, fire-fighting, pylon racing, slung loads or the intentional dropping, spraying or release of anything, any form of experimental flying and any other use involving abnormal hazard, but when cover is provided details of such use(s) are specifically stated in the Schedule.

9. "As required" means uses as required by the Insured, excluding pylon racing, but when cover is provided details of such use will be specified in the Schedule.
10. "Accident" means an accident or series of accidents arising out of one event.
11. "Bodily Injury" means physical injury, sickness, disease, disability, shock, fright or mental anguish including death at any time resulting therefrom.
12. "Property Damage" means loss of or damage to property including loss of use.
13. The term "Insured" herein shall include any director, employees, servants or agents of the Insured.

SPECIAL PROVISIONS

1. Supplementary Payments

It is hereby understood and agreed that this Certificate is extended to include cover as more fully set forth in paragraph(s) a., b., c., d. and e. below.

The Insurers agree to pay on behalf of the Insured:

- | | | |
|----|--|--|
| a. | any reasonable expenses incurred for the purpose of search and rescue operations for an aircraft insured hereunder determined to be missing and unreported or rescuing any persons as a result of any accident involving the insured aircraft and returning them to the nearest point of public transportation or hospital (if necessary); | <i>Search and
Rescue</i> |
| b. | any reasonable expenses incurred for the purpose of runway foaming to prevent or mitigate possible loss or damage because of malfunction or suspected malfunction of an aircraft insured hereunder; | <i>Runway
Foaming</i> |
| c. | any reasonable expenses incurred for the purpose of attempted or actual raising, removal, disposal or destruction of the wreck of an aircraft insured hereunder and the contents thereof; | <i>Raising/Removal/
Disposal/
Destruction
of Wreck</i> |
| d. | any reasonable costs and expenses which the Insured may be called upon to pay in respect of any public enquiry or enquiry by the Civil Aviation Authority (or local equivalent) or any other relevant authority into an incident involving the insured aircraft; | <i>Enquiry</i> |
| e. | any reasonable emergency expenses incurred by the Insured for the immediate safety of the aircraft consequent upon damage or forced landing; | <i>Immediate
Safety</i> |

Provided always that the Insurers' liability shall not exceed the Limit of Indemnity shown in Item 7. of the Schedule.

2. Additions and Deletions of Aircraft

- | | | |
|----|---|------------------------------------|
| a. | The insurance afforded by this Certificate is automatically extended to include at pro-rata additional premium further aircraft of any type added during the currency of this Certificate provided such aircraft are owned or operated by the Insured and subject to such aircraft not having an agreed value or passenger seating capacity in excess of the highest agreed value or declared maximum number of passengers any one aircraft as specified in Item 5. of the Schedule. | <i>Additions
and Deletions</i> |
| b. | Aircraft which have been sold or disposed of shall be deleted from this Certificate and the Insured shall be entitled to pro rata return of premium provided no claim has arisen and become payable under the Certificate in respect of such aircraft and that this Certificate is not cancelled by virtue of such deletion. In the event of all aircraft being deleted this Certificate shall be deemed to have been cancelled by the Insured as provided for in General Condition 4. hereof with effect from the date of the deletion of the last aircraft. | |
| c. | Notice of the addition or deletion of any aircraft under the provisions of paragraph a. and b. respectively shall be given to Hayward Aviation Limited within fifteen days of attachment or deletion. | |

3. Civil Aviation Authority Safety Regulation Group

It is noted and agreed that the cover hereunder remains operative whilst the insured aircraft is being flown by any Civil Aviation Authority (or its local equivalent) approved pilot for the purpose of any form of test or operation and during any such flight the Civil Aviation Authority Safety Regulation Group (or its local equivalent) are included as Joint Insureds in respect thereof.

Test Pilots

4. Indemnity to the Crown and Other Parties

It is agreed that cover hereunder includes the Insured's liability arising as a result of agreeing to indemnify the Crown or the United States Air Force or any other government or local or military authority in connection with the use of any facility by the insured aircraft.

*Indemnity to
Crown and
Other Parties*

It is hereby declared and agreed that notwithstanding anything contained in this Certificate or in any memoranda, conditions or schedules attached to or forming part thereof this Certificate covers all sums within the total sum insured under this Certificate which the Insured shall become liable to pay under an undertaking to the Crown.

Excluding any liability compulsorily insurable by reason of the Road Traffic Act or similar legislation.

Nothing in the foregoing shall be deemed to over-ride Exclusion 5. of Section II, General Exclusion 6. or paragraph b. of General Exclusion 8. contained in this Certificate.

5. Agreements Section I

It is agreed to automatically waive rights of subrogation against and hold harmless companies or other entities (including other holders of Aircraft Operators Certificates who operate the aircraft, providing the purpose for which the aircraft will be used permits it) with whom the Insured has entered or does enter into agreements in accordance with usual operating practice.

*Agreements
Section I*

6. Liability Agreements

It is agreed to automatically add as additional Insureds companies or other entities (including other holders of Aircraft Operators Certificates who operate the aircraft, providing the purpose for which the aircraft will be used permits it) with whom the Insured has entered or does enter into agreements in accordance with usual operating practice.

*Liability
Agreements*

7. Two or More Aircraft

When two or more aircraft are insured hereunder the terms of this Certificate shall apply separately to each.

*Two or More
Aircraft*

8. Extended Coverage Extension applicable to Section I only

Notwithstanding the contents of General Exclusion 8. of this Certificate, IT IS HEREBY UNDERSTOOD AND AGREED that this Certificate is extended to cover claims caused by the following risks without the application of a deductible:

*Extended
Coverage*

- a. strikes, riots, civil commotions or labour disturbances;
- b. any malicious act or act of sabotage;
- c. 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;

PROVIDED ALWAYS THAT:

1. the above extension shall only apply to the extent that the loss or damage is not otherwise excluded by a., b., d., and f. of General Exclusion 8. of this Certificate;
2. the insurance provided by this extension may be cancelled by the Insurers giving notice effective on the expiry of seven days from midnight G.M.T. on the day on which notice is issued.

Extended Coverage Extension applicable to Sections II, III and IV only

1. It is hereby understood and agreed that all paragraphs other than sub-paragraph b. of General Exclusion 8. of the Certificate are deleted SUBJECT TO all terms and conditions of this extension.
2. **EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph a. of General Exclusion 8. of the Certificate.**

*Extended
Coverage
Liabilities*

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 Extension shall be GBP 25,000,000 or the applicable Certificate limit whichever the lesser any one accident and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full Certificate limit and not in addition thereto.

To the extent coverage is afforded to an Insured under the Certificate, this sub-limit shall not apply to such Insured's liability:

- a. to the passengers (and for their baggage and personal effects) of any aircraft operator to whom the Certificate affords cover for liability to its passengers arising out of its operation of aircraft;
- b. for cargo and mail while it is on board the aircraft of any aircraft operator to whom the Certificate affords cover for liability for such cargo and mail arising out of its operation of aircraft.

4. AUTOMATIC TERMINATION

To the extent provided below, cover extended by this extension shall TERMINATE AUTOMATICALLY in the following circumstances:

a. **All cover**

Upon the outbreak of war (whether there be a declaration of war or not) between 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;

b. **Any cover extended in respect of the deletion of sub-paragraph a. of General Exclusion 8. of the Certificate**

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;

c. **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 a., b. or c. occurs, then the cover provided by this extension (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**

a. **Review of Premium and/or Geographical Limits (seven 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 G.M.T. on the day on which notice is given.

b. **Limited Cancellation (forty-eight hours)**

Following a hostile detonation as specified in 4. b. above, Insurers may give notice of cancellation of one or more parts of the cover provided by paragraph 1. of this extension by reference to sub-paragraphs c., d., e., f. and/or g. of General Exclusion 8. - such notice to become effective on the expiry of forty-eight hours from 23.59 hours G.M.T. on the day on which notice is given.

c. **Cancellation (seven days)**

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

d. **Notices**

All notices referred to herein shall be in writing.

9. **European Union Disclosure Clause**

The Parties are free to choose the law applicable to this Insurance Contract. Unless specifically agreed to the contrary this insurance is subject to the law of England and Wales.

Any enquiry or complaint should be addressed in the first instance to your Broker.

If you are not satisfied with the way a complaint has been dealt with you may ask the Policyholder and Market Assistance Department at Lloyd's to review your case without prejudice to your rights in law.

The address is:

Policyholder and Market Assistance Department
Lloyd's Market Services
One Lime Street,
LONDON EC3M 7HA.
Telephone: +44 (0)207 327 5693
Fax: +44 (0)207 327 5225
Email: complaints@lloyds.com

*European Union
Disclosure Clause
(Applicable only
when the Certificate
has been issued to an
individual U.K.
Insured)*

10. Medical and Other Payments

The Insurers will pay all reasonable expenses incurred within one year from the date of an accident for necessary medical, surgical, ambulance, hospital, professional nursing, repatriation, funeral and burial/cremation expenses to or for any passenger or crew member who sustains Bodily Injury whilst entering, on board or alighting from the aircraft in the Schedule of Aircraft Insured.

*Medical and Other
Payments*

Provided always that the limit of the Insurers' liability under this extension shall not exceed GBP 10,000 per person (or equivalent in other currencies).

11. Aircraft Spares

The cover afforded by Section I of this Certificate is extended to apply, without the application of a deductible, to loss of or damage to engines, spare parts and equipment destined to be fitted to or form part of an aircraft and being the property of the Insured or the property of others for which the Insured is responsible.

*Aircraft
Spares*

The limit of the Insurers' liability under this extension shall not exceed GBP 100,000 (or equivalent in other currencies) any one building, any one sending.

12. No Claim Bonus/Profit Commission

In the event of no claim having been made on this Certificate and the renewal of this insurance being effected with the Insurers through Hayward Aviation Limited, the Insurers will allow to the Insured a No Claim Bonus of 15% of the premium paid hereon, it being understood that no obligation on Insurers or the Insured to renew is implied.

*No Claim
Bonus*

In the event that more than one aircraft is insured by this Certificate the above No Claims Bonus special provision shall be deleted and replaced with the following Profit Commission on Renewal Clause.

In the event of the renewal of this insurance being effected with Insurers through Hayward Aviation Limited, the Insurers will allow to the Insured a 20% profit commission (75% basis) on renewal of the overall premium paid hereon, it being understood that no obligation on Insurers or the Insured to renew is implied.

*Profit
Commission*

13. Non-Owned Aircraft

In addition to the aircraft shown in the Schedule of Aircraft Insured the cover afforded by Sections II, III and IV of this Certificate applies to aircraft used by the Insured, always provided the Insured:

*Non-Owned
Aircraft*

- a. has no interest in the aircraft as owner in whole or in part;
- b. exercises no part in the servicing or maintenance of the aircraft.

This Extension does not apply:

- a. to liability arising out of any product manufactured, sold, handled or distributed by the Insured;
- b. to any aircraft having a seating capacity, excluding crew, in excess of the maximum number of passengers of any aircraft shown in Item 5. of the Schedule.

14. Trespassers

The Insurers will pay reasonable costs and expenses incurred by the Insured as a result of loss or damage to crops and/or other property caused by trespassers arising out of a crash of, or forced landing of the aircraft provided that such loss or damage is not recoverable from the trespassers.

Trespassers

Provided always that the limit of Insurers' liability under this extension shall not exceed GBP 5,000 (or equivalent in other currencies) any one incident.

15. Civil Aviation Authority Trainees

The insurance provided by this Certificate is extended to indemnify the Insured in respect of liability assumed under agreement with the Civil Aviation Authority (or its local equivalent) in connection with the flying training by the Insured of employees of the Civil Aviation Authority (or its local equivalent) and Section III of this Certificate is extended to include Civil Aviation Authority (or its local equivalent) employees whilst acting as crew members.

*Flying
Training*

16. Automatic Personal Accident

The Insurers agree to extend the cover provided by this Certificate to include automatic personal accident insurance as required by applicable legislation in any place to, from or in which the Insured does or shall operate, subject to it being within the overall Certificate limit and not in addition thereto.

*Automatic
Personal
Accident*

17. Breach of Air Navigation Order

Any breach or contravention of Air Navigation and/or Airworthiness orders and requirements and/or regulations issued by any competent authority without the knowledge and consent of a member of the board or an executive officer of the Insured shall not invalidate a claim by the Insured under this Certificate, but the individual causing such breach or contravention shall not be entitled to indemnity hereunder.

*Breach of
Air Navigation*

18. Out of Notified Hours

It is understood and agreed that this insurance is extended to pay on behalf of the Insured all sums which the Insured shall become liable to pay as damages under any undertaking and indemnity given by the Insured for the use of certain airfields and/or airports out of notified hours.

*Out of
Notified
Hours*

19. Flying Clothing and Effects

The Insurers will pay the cost to the Insured and/or pilots and/or passengers of loss of or damage by theft or fire (or accidental damage if the aircraft itself be damaged) to flying clothing and/or maps and/or navigating equipment and instruments and/or headsets or similar equipment (not being fixtures in the aircraft) and baggage (including contents) actually in or on the aircraft being the property of the Insured or of any pilot and/or passenger, but excluding money, securities, jewellery and furs of all kinds.

*Flying
Clothing
and Effects*

Provided always that the limit of the Insurers' liability under this extension shall not exceed GBP 2,500 (or equivalent in other currencies) any one incident.

It is further noted that this extension excludes any liability covered under Sections III and IV of this Certificate.

20. Agreed Value

In respect of claims adjusted on the basis of a total loss Insurers shall pay to the Insured the agreed value of the aircraft as stated in the Certificate Schedule.

Agreed Value

21. Fuel

Notwithstanding anything contained in Condition Precedent 3. Applicable to All Sections to the contrary, it is agreed that the Insured may use automotive fuel (MOGAS) manufactured to BS4040: 1978 standard or any amendment thereof, in lieu of AVGAS 80/87 or AVGAS 100LL provided that the aircraft is approved by the Civil Aviation Authority Airworthiness Bulletin 98 or any amendment or re-enactment thereof except that the Insured may uplift such Mogas from places other than airfield installations provided that the Insured takes all reasonable precautions to ensure its suitability for use in the aircraft.

Fuel

22. Date Recognition Limited Coverage

Whereas the Certificate of which this Special Provision forms part includes the Date Recognition Exclusion (General Exclusion 10.), it is hereby understood and agreed that, subject to all terms and provisions of this Special Provision 22., General Exclusion 10. shall not apply:

Date Recognition Limited Coverage

1. to any accidental loss of or damage to an aircraft defined in the Certificate Schedule (“Insured Aircraft”);
2. to any sums which the Insured shall become legally liable to pay, and (if so required by the Certificate) shall pay (including costs awarded against the Insured) in respect of:
 - a. accidental Bodily Injury, fatal or otherwise, to passengers directly 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 directly caused by an accident to an Insured Aircraft; and/or
 - c. accidental Bodily Injury, fatal or otherwise, and accidental damage to property directly caused by an Insured Aircraft or by any person or object falling therefrom;

PROVIDED THAT:

1. Coverage provided pursuant to this Special Provision shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Certificate (except as specifically provided herein), and nothing in this Special Provision extends coverage beyond that which is provided by the Certificate.
2. **Nothing in this Special Provision 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 Certificate.**
3. The Insured agrees that it has an obligation to disclose in writing to the Insurers during the Certificate period any material facts relating to the Date Recognition Conformity of the Insured’s operations, equipment and products.

23. Increased Liability Limit

The Insurers agree to extend the cover provided by Section II of this Certificate to include any increased statutory limit required in accordance with German Aviation Insurance Law and The Danish Act.

*Increased
Liability*

24. Directors and Employees Travelling

It is understood and agreed that the Insured's liability to their directors and employees whilst entering, on board or alighting from the Aircraft shall be deemed to be included under Section III, **excluding any liability compulsorily insurable under any employers' liability or workmen's compensation legislation.**

*Directors
and
Employees
Travelling*

Subject otherwise to the Certificate terms, conditions, limitations and exclusions.

IN WITNESS WHEREOF this Certificate has been signed in accordance with your Schedule of Insurance, as dated.

A handwritten signature in black ink, appearing to be 'J. Hayward', written in a cursive style.

For and on behalf of
HAYWARD AVIATION LIMITED

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