



LLOYD'S

AIRCRAFT

POLICY DOCUMENT

"Client Name"

"Policy number"

**AIRCRAFT POLICY
AAU-2016/1**

In Consideration of the payment of the premium by or on behalf of the Insured (named in the Schedule) prior to the inception date and the Insured having by proposal or declaration, which shall form the basis of this insurance and is deemed to be incorporated herein, applied to certain Underwriters at Lloyd's, London (hereinafter called the Insurers) for the insurance hereinafter set out, the Insurers agree subject to the Terms, Conditions, Warranties, Exclusions, Deletions, Definitions, Clauses and Limitations contained herein or endorsed hereon, to indemnify or compensate the Insured for any physical loss, damage or liability as provided for in the policy but only in respect of an accident (as defined) occurring during the Period of Insurance as stated in the Schedule hereto.

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

As bound by:

Nature (Pty) Limited trading as Airspace Africa Underwriters

Block A, Block@Nature
472 Botterklapper Street
The Willows
Pretoria East
0184

Acting as Agent for:

AMLIN syndicate No 2001 at Lloyd's

Under Binding Authority Reference: B1019 MA 000704 C

Dated this day of 2016 in Pretoria, South Africa

Signed: _____

SCHEDULE

NAME AND ADDRESS OF INSURED:

POLICY NO:

VAT VENDOR: Yes / No

VAT NO:

THE INSURER

Certain Underwriters at Lloyd's, London

BINDING AUTHORITY REFERENCE

B1019 MA 000704 C

COVERHOLDER

Airspace Africa Underwriters

VAT NO 438 010 2865

PERIOD OF INSURANCE

From to both days inclusive

RENEWAL DATE

USE OF AIRCRAFT

Standard Uses: Private, pleasure, industrial aid / business

Special Uses: Advanced instruction of named pilots,

PILOT PROVISION

NAMED PILOTS

NAME	LICENCE	HOURS TOTAL TIME	HOURS ON TYPE

UNNAMED PILOTS

GEOGRAPHICAL LIMITS



Please select the correction option only and delete the options not taken

OPTION 1

The Republic of South Africa and bordering territories and countries excluding Lesotho, other than to the west and north of an imaginary straight line joining Quthing, Mhahleshoek, Roma and Libono. Overflying whole of Lesotho in multi engine aircraft is covered

OPTION 2

Africa South of the Equator excluding Burundi, Cabinda, Congo, Democratic Republic of Congo, Somalia and Lesotho, other than to the west and north of an imaginary straight line joining Quthing, Mhahleshoek, Roma and Libono. Overflying whole of Lesotho in multi-engine aircraft is covered

OPTION 3

Africa excluding Algeria, Burundi, Cabinda, Central African Republic, Congo, Democratic Republic of Congo, Eritrea, Ethiopia, Ivory Coast, Liberia, Mauritania, Nigeria, Somalia, The Republic of Sudan, South Sudan and Lesotho, other than to the west and north of an imaginary straight line joining Quthing, Mhahleshoek, Roma and Libono. Overflying whole of Lesotho in multi engine aircraft is covered

JURISDICTION

South African jurisdiction (refer General Condition 14)

SECTION I & V AIRCRAFT:

Aircraft	Year / Make / Model	Registration	No. Of Passenger Seats	Section I Agreed Value	Section V Agreed Value	Risks Covered
1						Applicable to Helicopters Rotors-In-Motion/ Rotors-Not-In-Motion All other aircrafts Flight/Taxiing/Ground Ground only
2						Applicable to Helicopters Rotors-In-Motion/ Rotors-Not-In-Motion All other aircrafts Flight/Taxiing/Ground Ground only



Remember to select the correct option

It is hereby declared and agreed that notwithstanding that both aircraft are covered in respect of flight, taxiing and ground risks, it is warranted that only one aircraft is covered in respect of flight and taxiing at any one day



Delete if **ONE UP ONE DOWN BASIS** does not apply.

DEDUCTIBLES :

In respect of Sections I and V to be paid by the Insured:

R

But in respect of (Refer to Clauses if extended to include cover) -

Flying Clothing and Effects - R

The President's Trophy Air Race and/or Rallies – 10% of Agreed value

Medical and Related Expenses - R

Cargo Legal Liability - R (per airway bill)



if any of the above is not included please just amend the **R** to **Nil**, do not delete

Aircraft 1

Option 1: Full Flight Risks

SECTIONS II and III LIABILITY LIMIT:

Combined Single Limit of R any one accident in total over one or both sections

Option 2: Ground Risks

SECTIONS II LIABILITY LIMIT:

Third Party Legal Liability limit of R any one accident in total

Aircraft 2

Option 1: Full Flight Risks

SECTIONS II and III LIABILITY LIMIT:

Combined Single Limit of R any one accident in total over one or both sections

Option 2: Ground Risks

SECTIONS II LIABILITY LIMIT:

Third Party Legal Liability limit of R any one accident in total



Please select only the option applicable

Additional Insureds: Sections II and III only

AIRCRAFT FINANCIAL INTEREST

Amount	R	in favour of	(Hereinafter referred to as "The Party")
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NO CLAIMS BONUS

Option 1:

Basis:- **At Inception**
 % of Hull All Risks Premium

Option 2:

Basis:- **On renewal**
 % of Hull All Risks Premium

PROFIT COMMISSION

Option 3:

Basis:- **Profit Commission**
Nett premium paid in respect of Section I only at % =
Less Hull claims together with incidental expenses thereto
Sub-total
Ascertained profit %



Please select only the option applicable

Total Annual Policy Premium Summary

Total Premium due (Excluding 14% VAT)	R
Plus 14% VAT	R
Total Premium due (Including 14% VAT)	R

Total monthly / quarterly / annual / bi-annual payment R

Pro-rata premium for period to R

This Schedule forms part of the Policy wording and must be read in conjunction with the applicable wording.

For policy valuation purposes all amounts stated in the policy including sums insured, limits of cover and deductibles, are expressed inclusive of VAT at 14%. For clarity it is noted that in cases where a deductible is expressly recovered by an Insurer from an Insured the excess amount in terms of the policy so recovered does not constitute a consideration as defined in the VAT Act and as such has no VAT consequence.

In terms of a ruling issued by SARS, this document together with proof of payment of premium constitutes an alternative tax invoice, debit note or credit note as contemplated in sections 20(7) and 21(5) of the VAT Act respectively.

**ANY EVENT LIKELY TO GIVE RISE TO A CLAIM UNDER THIS POLICY
SHALL BE NOTIFIED IMMEDIATELY TO THE INSURER**



Delete the sections / lines not applicable.

Aircraft 1

AIRCRAFT REGISTRATION NUMBER			
COVERAGE	SUM INSURED	RATE	PREMIUM
Hull All Risks			
Hull War Risks			
Legal Liability			
Additional Premium			
Additional Premium			
Less No Claim Bonus			
At inception / On renewal			
Section 8 (5) Fee / Less Profit Commission			
TOTAL PREMIUM DUE			
PREMIUM SUMMARY			
Total Premium due (Excluding 14 % VAT)			
Plus 14% VAT			
Total Premium due (Including 14% VAT)			



Delete the option not applicable.

OPTION 1: If NO co-insurance

Proportion of Liability : 100 %

Premium Payment Terms : Monthly / Quarterly / Annual / Bi-Annual

Full Premium in the event of a loss (subject to General Condition 13)

OPTION 2: If co-insurance

Premium Payment Terms : Monthly / Quarterly / Annual / Bi-Annual

Full Premium in the event of a loss (subject to General Condition 13)

This Insurance, being signed for ...% of 100% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

Premium Due - ...% R

Natsure (Pty) Limited trading as Airspace Africa Underwriters
Acting agents for AMLIN Syndicate No: 2001 at Lloyds



Delete the sections / lines not applicable.

Aircraft 2

AIRCRAFT REGISTRATION NUMBER			
COVERAGE	SUM INSURED	RATE	PREMIUM
Hull All Risks			
Hull War Risks			
Legal Liability			
Additional Premium			
Additional Premium			
Less No Claim Bonus			
At inception / On renewal			
Section 8 (5) Fee / Less Profit Commission			
TOTAL PREMIUM DUE			
PREMIUM SUMMARY			
Total Premium due (Excluding 14 % VAT)			
Plus 14% VAT			
Total Premium due (Including 14% VAT)			



Delete the option not applicable.

OPTION 1: If NO co-insurance

Proportion of Liability : 100 %

Premium Payment Terms : Monthly / Quarterly / Annual / Bi-Annual

Full Premium in the event of a loss (subject to General Condition 13)

OPTION 2: If co-insurance

Premium Payment Terms : Monthly / Quarterly / Annual / Bi-Annual

Full Premium in the event of a loss (subject to General Condition 13)

This Insurance, being signed for ...% of 100% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

Premium Due - ...% R

Natsure (Pty) Limited trading as Airspace Africa Underwriters
Acting agents for AMLIN Syndicate No: 2001 at Lloyds

Schedule of Clauses incorporated in and forming part of the policy

It is hereby noted and agreed that the following Clauses are Applicable / not Applicable from the policy as detailed below.

This Schedule is to be read in conjunction with the policy wording and forms part of the policy.



Please remember to add only the clauses agreed on by the Underwriters and to correct the limit of Indemnity as per the closings

Clause	Applicable / not Applicable	Limit of Indemnity
Agreed Value Clause	Applicable / Not applicable	
No Claims Bonus (on Renewal) Clause	Applicable / Not applicable	
No Claims Bonus (at Inception) Clause	Applicable / Not applicable	
No Claim Bonus Protection Clause	Applicable / Not applicable	
Profit Commission on Renewal Clause	Applicable / Not applicable	
Premium Payment Clause	Applicable / Not applicable	
Debit Order Payments - Non Payment Cancellation	Applicable / Not applicable	
Quarterly Premiums	Applicable / Not applicable	
Cross Liabilities Clause	Applicable / Not applicable	
Extended Coverage Aircraft Liabilities Clause	Applicable	
Hail Damage Clause	Applicable / Not applicable	
Unauthorised Use Clause	Applicable / Not applicable	
Unauthorised Use Clause (Theft Only)	Applicable / Not applicable	
Unlicensed Landing Grounds Suitability Clause	Applicable	
Airfreight of Spares Clause	Applicable / Not applicable	10% of agreed value maximum R100 000

Breach of Air Navigation Regulations Clause	Applicable / Not applicable	
Additional Insured Clause - Sections II & III only	Applicable / Not applicable	
Ingestion Clause	Applicable / Not applicable	
Parachutists Exclusion Clause	Applicable / Not applicable	
The President's Trophy Air Race and/or Rallies Clause	Applicable	R 100 000 (In respect of Section II)
Aircraft Financial Interest Endorsement Clause	Applicable / Not applicable	
Supplementary Payment Clause	Applicable / Not applicable	10% of agreed value maximum R250 000
Voluntary Air Transport Squadron Flying / Police Air Wing Clause - Section I only	Applicable / Not applicable	
Contingent Pilots Clause	Applicable / Not applicable	
Legal Liability to Employees Clause	Applicable / Not applicable	
Date Recognition Exclusion Clause	Applicable	
Pilot's Indemnity Clause	Applicable / Not applicable	
Aggravation of Injury / Illness / Medical Malpractice Exclusion	Applicable / Not applicable	
Forced Landing Clause	Applicable / Not applicable	
Pro Rata Cancellation Clause	Applicable	
Asbestos Exclusion Clause	Applicable	
Sanction Limitation and Exclusion Clause	Applicable	
Currency Fluctuation Clause	Applicable / Not applicable	
Carriage of Infants	Applicable / Not applicable	
Hot and Hung Starts Clause	Applicable / Not applicable	

Out of Notified Hours Clause	Applicable / Not applicable	
Legal Liability to and/or of Instructors/Student Pilots	Applicable / Not applicable	R 250 000 each aircraft
Chemical Liability Exclusion Clause	Applicable / Not applicable	
Insurers Liability Clause	Applicable	
Contracts (Rights of Third Parties) Act 1999 Exclusion Clause	Applicable	
Medical and Related Expenses	Applicable / Not applicable	R 150 000
Flying Clothing and Effects clause	Applicable / Not applicable	R
Financial / Contractual dispute clause	Applicable / Not applicable	
Cargo Legal Liability clause (AVN92)	Applicable / Not applicable	R
Liability To Pilots And Crew Clause (AVN73)	Applicable / Not applicable	R 250 000
Deductible Buy Down clause	Applicable / Not applicable	

AIRCRAFT INSURANCE POLICY

Certain words and phrases used in this Policy have special meanings which can be found in Section IV (D) Definitions.

SECTION I

LOSS OF OR DAMAGE TO AIRCRAFT

1. COVERAGE

- (a) The Insurer will at its option pay for, replace or repair accidental loss of or damage to the Aircraft described in the Schedule hereto arising from the risks covered, including disappearance if the Aircraft is unreported, missing or its whereabouts unknown for fifteen days after the commencement of Flight, but not exceeding the amount insured as stated in the Schedule hereto and subject to the amount to be deducted shown below in paragraph 3(c).
- (b) If the Aircraft is insured hereby for the risks of Flight, the Insurer will, in addition, pay reasonable emergency expenses necessarily incurred by the Insured for the immediate safety of the Aircraft consequent upon damage or forced or emergency landing up to ten per cent (10%) of the amount insured as stated in the Schedule hereto subject to a maximum of R50 000.

2. EXCLUSIONS APPLICABLE TO THIS SECTION ONLY

The Insurer shall not be liable for:

- (a) wear and tear, deterioration, breakdown, defect or failure howsoever caused in any Unit (hereinafter defined) of the Aircraft and the consequences thereof within such Unit;
 - (b) damage to any Unit by anything which has a progressive or cumulative effect but damage attributable to a single recorded incident is covered under paragraph 1 (a) above;
 - (c) any expense or loss incurred in connection with or directly arising out of the replacement of any undamaged part or parts or Unit of the Aircraft which, in terms of Service Bulletins and/or Air Navigation Regulations and/or Airworthiness Directives and/or orders and requirements issued by any competent authority, is required to be repaired or replaced at the time that the repair of accidental damage to the Aircraft is carried out.
- Wear and tear, breakdown
- Modifications or inspections

However accidental loss of or damage to the Aircraft consequent upon 2(a) or (b) above is covered under paragraph 1 (a) above.

3. CONDITIONS APPLICABLE TO THIS SECTION ONLY

- a) If the Aircraft is damaged:
 - i) no dismantling or repairs shall be commenced without the consent of the Insurer except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
 - ii) The Insurer will pay for the repairs and transport of labour and materials by the most economical method unless the Insurer agrees otherwise with the Insured.
- Dismantling and repairs

- Payments or replacement
- b) If the Insurer exercises its option to pay for or replace the Aircraft: -
- i) the Insurer may take the Aircraft (together with all documents of record, registration and title thereto) as salvage;
 - ii) 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;
 - iii) the replacement Aircraft shall be of the same make and model and in reasonably like condition unless otherwise agreed with the Insured.
- Amounts to be deducted from claims
- c) There shall be deducted from each claim under paragraph 1 (a) of this Section:
- i) the amount specified in the Schedule hereto and;
 - ii) such portion of the Overhaul Cost of any Unit repaired or replaced as the used time bears to the Overhaul Life of the Unit;
- No abandonment
- d) Unless the Insurer elects 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 Insurer. The fact that the Insurer has dealt with the Aircraft in any way whatsoever shall not be construed in such a manner so as to warrant the conclusion that the Insurer has made an election in terms of this Policy.
- Other insurance
- e) 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 Insurer.
- Engine
- f) Any claim in respect of an Engine is restricted to loss or damage caused by theft, lightning, flood, outbreak of fire external to the engine or by sudden and unexpected impact with a foreign object requiring immediate withdrawal of the engine from service.

SECTION II

LEGAL LIABILITY TO THIRD PARTIES (Other than passengers)

1. COVERAGE

The Insurer will indemnify the Insured for all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory damages (including costs awarded against the Insured) in respect of accidental bodily injury (fatal or otherwise) and accidental damage to property caused by the Aircraft or by any person or object falling therefrom.

2. EXCLUSIONS APPLICABLE TO THIS SECTION ONLY

a. The Insurer shall not be liable for claims arising from:

- | | |
|----------------------|--|
| Employees and others | i) injury (fatal or otherwise) or loss sustained by any director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured; |
| Operational crew | ii) injury (fatal or otherwise) or loss sustained by any member of the flight, cabin or other crew member whilst engaged in the operation of the Aircraft or while such crew member is in any way engaged in his capacity as such; |
| Passengers | iii) injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft; |
| Property | iv) loss or damage to any property belonging to or in the care, custody or control of the Insured. |

b. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:

- | | |
|---|---|
| Noise and pollution and other perils exclusion clause | 1. i) noise (whether audible to the human ear or not), vibration, sonic boom, and any phenomena associated therewith, |
| | ii) pollution and contamination of any kind whatsoever, |
| | iii) electrical and electromagnetic interference, |
| | iv) 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 the Insurer to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

- i) claims excluded by Paragraph (b) or

- ii) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph (b) (referred to below as "Combined Claims").
- 3. In respect of any Combined Claims, the Insurer 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.

3. LIMITS OF INDEMNITY APPLICABLE TO THIS SECTION ONLY

Limits The liability of the Insurer under this Section shall not exceed the amount stated in the Schedule hereto. The Insurer will defray, in addition, any legal costs and expenses incurred with its written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory damages covered by this Section, but should the amount paid or awarded in settlement of such claims exceed the limit of indemnity then the liability of the Insurer in respect of such legal costs and expenses shall be limited to such proportion of the said legal costs and expenses as the limit of indemnity bears to the amount paid for compensatory damages.

SECTION III

LEGAL LIABILITY TO PASSENGERS

1. COVERAGE

The Insurer will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory damages (including costs awarded against the Insured) in respect of:

- (a) accidental bodily injury (fatal or otherwise) to passengers whilst entering, on board or alighting from the Aircraft and
- (b) loss of or damage to the baggage and personal articles of passengers arising out of an Accident to the Aircraft.

Provided always that

Documentary
precaution

- i) before a passenger boards the Aircraft for a flight for reward including flights being conducted in terms of a licence permit or authority held by the Insured duly issued by the competent authority of the country in which the Aircraft is registered authorising carriage of passengers and/or goods and/or any other air service operated for hire or reward, the Insured shall limit its liability for claims under (a) and (b) above up to the maximum amount prescribed in Article 22(1), 2(a) and (b) and (3) of the Warsaw Convention dated 12th October 1929 as amended by the Hague Protocol dated 28th September 1955 or other applicable Convention or the minimum amount prescribed by the law of the country in which the Aircraft is registered, whichever is the greater.
- ii) if the measures referred to in proviso (i) above include the issue of a passenger ticket/baggage check, the same shall be delivered correctly completed to the passenger a reasonable time before the passenger boards the Aircraft.

Effect of non-
compliance

In the event of failure to comply with proviso (i) or (ii) the limit of indemnity by the Insurer under this Section shall not exceed the amount of the legal liability (if any) that would have existed had the proviso been complied with.

2. EXCLUSIONS APPLICABLE TO THIS SECTION ONLY

The Insurer shall not be liable for injury (fatal or otherwise) or loss:

Employees
and others

- 1. sustained by any
 - (a) members of the household or family of the Insured,
 - (b) director, employee or partner of the Insured or member in the Insured's business whilst acting in the course of their employment with or duties for the Insured,
 - (c) member of the flight, cabin or other crew member whilst engaged in the operation of the Aircraft, or while such crew member is in any way engaged in his capacity as such.

- | | |
|----------------------|--|
| Number of passengers | 2. whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passenger seats stated in the Schedule hereto. |
| Flying instruction | 3. whenever the Aircraft mentioned in the Schedule hereto is being used for the purpose of flying instruction. The liability of the Insurer in terms of this Section is not extended to either the instructor or the pilot undergoing such instruction neither of those being regarded as a passenger. |

3. LIMITS OF INDEMNITY APPLICABLE TO THIS SECTION

Limits	The liability of the Insurer under this Section shall not exceed the amount stated in the Schedule hereto. The Insurer will defray, in addition, any legal costs and expenses incurred with its written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory damages covered by this Section, but should the amount paid or awarded in settlement of such claims exceed the limit of indemnity then the liability of the Insurer in respect of such legal costs and expenses shall be limited to such proportion of the said legal costs and expenses as the limit of indemnity bears to the amount paid for compensatory damages.
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SECTION IV

A. GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

This Policy does not apply:

- | | | |
|------------------------------------|----|--|
| Purpose and manner of use | 1. | whilst the Aircraft is being used for any illegal purpose or for any purpose other than that stated in the Schedule hereto and as defined in the Definitions hereto; |
| Licences | 2. | whilst the Aircraft is being operated and/or used for reward in contravention of any statutory licence and operating requirements pertaining to pilots, crew and operators, issued by the appropriate aviation authorities; |
| Geographical limits | 3. | whilst the Aircraft is outside the geographical limits stated in the Schedule hereto unless due to force majeure; |
| Pilots | 4. | whilst the Aircraft is being piloted by any person other than as stated in the Schedule hereto except that the Aircraft may be operated on the ground by any person competent for that purpose and entitled by law to do so; |
| Transportation by other conveyance | 5. | whilst the Aircraft is being transported by any means of conveyance except as the result of an Accident giving rise to a claim under Section I of this Policy; |
| Landing and take-off areas | 6. | whilst the Aircraft is landing or taking off or attempting to do so either at or from a place which does not comply with the recommendations laid down by the manufacturer of the Aircraft or at an unlicensed landing ground at night, unless due to force majeure. |
| Contractual liability | 7. | to liability assumed or rights waived by the Insured under any agreement (other than passenger ticket/baggage check issued under Section III hereof) except to the extent that such liability would have attached to the Insured in the absence of such agreement. |
- However this exclusion shall not apply in the event of the Insured or the employees or agents of the Insured accepting conditions which exclude or limit liability in respect of loss of or damage to the Aircraft imposed by:-
- i. repair, servicing or maintenance organisations (who undertake any repairs to or maintenance of the Aircraft),
 - ii. Hangar keepers and suppliers of fuel,
 - iii. any airport owner or airport licence holder;
- | | | |
|------------------|----|--|
| Non-contribution | 8. | to claims which are payable under any policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected; |
| Nuclear Risks | 9. | i) to 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) to 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) ionising radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

War, hijacking
and other perils
(AVN48B)

10. 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 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.

(B) WARRANTIES APPLICABLE TO ALL SECTIONS

The Insured warrants:

Compliance with
Air Navigation
Orders etc.

1. compliance with all air transportation, 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.

- Variation in risk 2. that 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 the Insurer and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been expressly accepted by the Insurer.
- Instruction 3. that any flying instruction of whatsoever nature shall be effected by or under the supervision of a duly qualified licensed instructor only.

(C) GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

- Due observance 1. The due observance and fulfilment of the terms, conditions and endorsements of this Policy shall be a condition precedent to any liability of the Insurer to make any payment under this Policy.
- Claim procedure 2. Immediate notice of any event likely to give rise to a claim under this Policy shall be given to the Insurer. In all cases the Insured shall:
- (a) furnish full particulars in writing of such event and forward immediately notice of any claim with any letters or documents relating thereto;
 - (b) give notice of any impending prosecution;
 - (c) render such further information and assistance as the Insurer may reasonably require;
 - (d) not act in any way to the detriment of or prejudice to the interest of the Insurer.

The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurer.

- Control of proceedings 3. The Insurer shall be entitled (if it so elects) at any time for as long as it desires to take absolute control of all negotiations, proceedings and litigation affecting the Insured and to deal with such matters as it deems fit. This includes the right to settle, defend or pursue any claim or prosecution in the name of the Insured.
- Subrogation 4. Upon an indemnity being given or a payment being made by the Insurer under this Policy, it shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurer to exercise such rights and remedies.
- More than one insured 5. Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurer in respect of any or all Insured's shall not exceed the limit(s) of indemnity stated in the Schedule hereto.
- False and fraudulent claims 6. If the Insured or his agent or employee shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited.
- Cancellation 7. This Policy may be cancelled by either the Insurer or the Insured giving 10 days' notice in writing of such cancellation. If cancelled by the Insurer it will return a pro rata portion of the premium in respect of the unexpired period of

the Policy. If cancelled by the Insured a return of premium shall be at the discretion of the Insurer. There will be no return of premium in respect of any Aircraft on which a loss has been paid or is payable under this Policy.

- | | |
|----------------------|---|
| Assignment | 8. This Policy shall not be assigned in whole or in part except with the consent of the Insurer verified by endorsement hereon. |
| Not marine insurance | 9. This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance. |
| Interpretation | 10. Wording in the margins is purely for reference purposes and shall not be used in the interpretation of this Policy. |
| Due diligence | 11. The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid accidents and to avoid or diminish any loss hereon. |
| Prescription | 12. In the event of an incident which may or does give rise to a claim or claims under any section of the Policy, the Insured shall comply with the obligations set out in General Condition 2. If after due and proper notice has been given by the Insured to the Insurer, the latter concludes and advises that the Insured is not entitled to any protection or indemnity under the Policy in its entirety or under any section thereof, albeit for claims at that time or at any time in the future, all benefit under this Policy, under all sections thereof, shall be forfeited by the Insured unless legal action for protection under the Policy is instituted within 180 days of the date of the Insurers advising the Insured or its agent of the decision not to afford any benefit whatsoever to the Insured. |

Despite anything to the contrary in this policy:

- a) Any provisions relating to time limitation for the institution of legal action provided for in this policy is extended by the period of 90 days allowed for the policy holder to make representations to the Insurer in respect of any decision to reject or dispute a claim or the quantum of a claim for a benefit under the policy. Such representation is to be made by the Insured within a period of 90 days after the date of receipt of the notice of rejection or dispute.
- b) The Insured has 180 days after expiry of that 90 day period for the institution of legal action.

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| Full premium if loss | 13. It is understood and agreed that in the event of a claim arising in terms of this Policy the full annual premium less the amount of premium already paid, shall become due and payable forthwith. The full premium will become payable in respect of all aircraft insured hereunder. |
| South African jurisdiction | 14. This insurance Policy shall be governed by the law of the Republic of South Africa whose courts shall have exclusive jurisdiction in any dispute arising hereunder. |
| Penalties | 15. This Policy will not indemnify the Insured in respect of fines, penalties, punitive, exemplary or vindictive damages. |
| Two or More Aircraft | 16. In the event of a claim, when two or more Aircraft are insured hereunder, the deductible in terms of this Policy apply separately to each aircraft. |

(D) DEFINITIONS

- (a) **"Aircraft"** means the aircraft specified in the Schedule hereto together with its engine(s) and standard instruments and equipment including any extra equipment or accessories specifically mentioned in the Schedule.
- (b) **"Accident"** means any one accident or series of accidents arising out of one event.
- (c) **"Unit"** means a part or an assembly of parts (including any sub-assemblies) of the Aircraft which has been assigned an Overhaul Life as a part or an assembly. Nevertheless, an engine complete with all parts normally attached when removed for the purpose of overhaul or replacement shall together constitute a single Unit.
- (d) **"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.
- (e) **"Overhaul Cost"** means the costs 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.
- (f) **"Private, Pleasure"** means the use for private and pleasure purposes but not use for any business or profession or for hire or reward.
- (g) **"Business / Industrial Aid"** means the uses stated in Private, Pleasure and use for the purpose of the Insured's business or profession but not use for hire or reward of the Aircraft.
- (h) **"Commercial or Charter"** means the uses stated in Private, Pleasure and Business/Industrial Aid and use for the carriage by the Insured of passengers, baggage accompanying passengers and cargo, all for hire or reward, in terms of a licence issued by a competent aviation authority.
- (i) **"Rental"** means rental, lease, charter or hire by the Insured to any person, company, or organisation for Private, Pleasure and Business/Industrial Aid uses only, where the operation of the Aircraft is not under the control of the Insured. Rental for any other purpose is not insured under this Policy unless specifically declared to the Insurer and stated in the Schedule.
- (j) **"Sales and Demonstration"** means the situation arising whenever the Aircraft is made available for sale by one party to another which includes negotiations arising therefrom as well as the demonstration of the Aircraft or parts thereof on the ground or in the air whilst the Aircraft is actually flown. Sales and demonstration is not insured under this Policy unless specifically declared to the Insurer and stated in the Schedule hereto.
- (k) **"Ab Initio or Licence Reinstatement Instruction"** means practical or theoretical tuition to a person who is undergoing flying training on the Aircraft for the purpose of obtaining or reinstating a private or higher pilot's licence.
- (l) **"Conversion to Type Instruction"** means use for instruction to a pilot for the purpose of obtaining a type or category rating in respect of the Aircraft in compliance with legal regulations for type and category ratings. It does not include Ab Initio Instruction.

- (m) **"Advanced Instruction"** means additional flying training for the purpose of enabling a pilot to exercise rating privileges other than those already held by him in terms of an existing licence rating, or recurring training but does not include Ab Initio or "Reinstatement of licence" or Conversion to Type Instruction.
- (n) **"Flight"** means from the time the Aircraft moves forward in taking off or attempting to take off, whilst in the air, and until the Aircraft completes its landing run. Rotary 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.
- (o) **"Taxying"** means movement of the Aircraft under its own power other than Flight as defined. Taxying shall not be deemed to cease merely by reason of a temporary halting of the Aircraft.
- (p) **"Ground"** means while the Aircraft is not in Flight or Taxying as defined.
- (q) **"Engine"** means an engine for propulsion or auxiliary power complete with all parts necessary for test cell running.

Definitions (f), (g), (h) and (i) constitute "Standard Uses" and do not include instruction, patrol (including but not limited to security, traffic, power line, pipe line and anti-poaching patrol), wire-stringing, pole setting, firefighting and/or spotting and/or control and/or patrol and/or support, all forms of racing including speed trials, record attempts, aerial or cloud seeding, crop dusting or spraying, hunting, shooting, herding, counting, capture, all forms of game work, fish spotting, experimenting with or testing new parts (other than replaced standard parts) or new devices or new designs, sequence display or aerobatic flying, parachute dropping, vehicle tracking, aerial survey and/or filming or photography, external loads and/or under slung and/or winching operations, offshore servicing, offshore drilling, erection, construction, banner towing, any use which requires prior permission from competent authority and additionally any other use involving abnormal hazard but when cover is provided details of such use(s) are stated in the Schedule hereto.

SECTION V WAR RISKS EXTENSION

1. LOSS OF OR DAMAGE TO AIRCRAFT

Subject to the terms, conditions and limitations set out below, this Section of the Policy covers loss of or damage to the Aircraft stated in the Schedule against claims excluded from Section I of this Policy as 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. 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 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 Section I of this 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).

2. EXTORTION AND HI-JACK EXPENSES

- a. This Section of the Policy will also indemnify the Insured subject to the terms, conditions, exclusions and limitations set out below, up to 90% of 10% of the Aircraft Agreed Value as stated in the schedule, any one loss and in the aggregate (Warranted remaining 10% being uninsured) of any payment properly made in respect of:
 - i) threats against any Aircraft stated in the Schedule or its passengers or crew made during the currency of this Policy;
 - ii) extra expenses necessarily incurred following confiscation, etc. (as Section V item 1 (e) above) or hi-jacking, etc. (as Section V item 1 (f) above) of any Aircraft stated in the Schedule.

- b. 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.
- c. No cover will be provided under this Section of the Policy unless a limit is inserted in 2.a. above.

3. EXCLUSIONS APPLICABLE TO THIS SECTION ONLY

This Section of the Policy excludes loss, damage or expense caused by one or any combination 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 (whether civil, military or de facto) of the country in which the aircraft are registered, 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 V item 1 above; or
 - 2. Any threat against an Aircraft stated in the Schedule or its passengers or crew and then only in respect of payments as are insured under Section V item 2 above;
 - (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 Section of the 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 V item 2, 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 Section of the 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 Section of the Policy.

4. CONDITIONS APPLICABLE TO THIS SECTION ONLY

- a. This Section of the 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 herein) as are contained in or may be added to Section I of this Policy.
- b. 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 Insurer. 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 Insurer;

"Material Change" shall be understood to mean any change in the operation of the Insured which might reasonably be regarded by the Insurer as increasing their risk in degree or frequency, or reducing possibilities of recovery or subrogation;
- c. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Section of the Policy shall be conditions precedent to any liability of the Insurer to make any payment under this Section of the Policy. In particular the Insured should use all reasonable efforts to ensure that he complies and continues 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;
- d. Subject always to the provision of Section V, and the Schedule, the Insurer hereon agree to follow Section I of this Policy in respect of Breach of Warranty Cover, Hold Harmless Agreements and Waivers of Subrogation.

5. CANCELLATION REVISION AND AUTOMATIC TERMINATION

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| Amendment of Terms or Cancellation | 1 (a) | The Insurer may give notice, effective on the expiry of 7 days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or the geographical limits. In the event of the review of the rate of premium and/or geographical limits not being accepted by the Insured then at the expiry of the said 7 days, this Section of the Policy shall become cancelled at that date. |
| Automatic Review of Terms or Cancellation | (b) | Notwithstanding 1(a) above, this Section of the Policy is subject to automatic review by Insurers of the rate of premium and/or conditions and/or geographical limits 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 Section of the Policy shall become cancelled at that date. |
| Cancellation by Notice | (c) | This Section of the Policy may be cancelled by the Insured or Insurer giving notice not less than 7 days prior to the end of each period of 3 months from inception. |
| Automatic Termination | 2 | Whether or not such notice of cancellation has been given this Insurance of the 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 Section of the 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. |

6. KILN GEOGRAPHIC AREAS EXCLUSION CLAUSE (LSW617G)

1. Notwithstanding any provisions to the contrary and subject to clauses 2 and 3 below, this Section excludes any loss, damage or expense howsoever occurring within the geographical limits of any of the following countries and regions:
 - a) Algeria, Burundi, Cabinda, Central African Republic, Congo, Democratic Republic of Congo, Eritrea, Ethiopia, Ivory Coast, Liberia, Mauritania, Nigeria, Somalia, The Republic of Sudan, South Sudan.
 - b) Colombia, Ecuador, Peru.
 - c) Afghanistan, Jammu & Kashmir, Myanmar, North Korea, Pakistan.
 - d) Georgia, Nagorno-Karabakh, North Caucasian Federal District.
 - e) Iran, Iraq, Libya, Syria, Yemen.
 - f) Any country where the operation of the insured Aircraft is in breach of United Nations sanctions.

2. However coverage pursuant to this Policy is granted:
 - a. for the over flight of any excluded country where the flight is within an internationally recognised air corridor and is performed in accordance with I.C.A.O. recommendations;
or
 - b. in circumstances where an insured Aircraft has landed in an excluded country as a direct consequence and exclusively as a result of force majeure.
3. Any excluded country may be covered by the Insurer at terms to be agreed by the Insurer prior to flight.

CLAUSES INCORPORATED IN AND FORMING PART OF THE POLICY

1. Agreed Value Clause

In the event of total destruction or loss of the Insured Aircraft and its equipment and accessories, the agreed value set against such Aircraft and its equipment and accessories will be paid in full less the applicable deductible.

2. No Claim Bonus (on Renewal) Clause (Applicable to Section 1 only excluding extensions)

Subject to there being no claim settled or outstanding or expenses incurred in connection with any claim on this Policy and provided this Policy has been in force for twelve consecutive months and subject to this insurance having been renewed with the Insurer on a similar basis for a further period of twelve consecutive months a no claim bonus return premium calculated at the rate stated in the Schedule hereto shall be allowed to the Insured, it being understood that no obligation on the Insurer or the Insured to renew is implied.

3. No Claim Bonus (at Inception) Clause (Applicable to Section 1 only excluding extensions)

A No Claim Bonus discount, calculated at the rate stated in the Schedule, will be allowed at inception. It is agreed that in the event of a claim being reported in terms of this Policy then the No Claim Bonus discount allowed at inception shall be reversed and become due and payable to the Insurer immediately.

4. No Claim Bonus Protection Clause

With respect to Aircraft covered under Section I of this Policy, as described in the Schedule, and subject to either the No Claims Bonus (on Renewal) or No Claims Bonus (at Inception) clause being indicated as "Applicable" in the Schedule of Clauses incorporated in and forming part of the Policy Insurers agree to indemnify the Insured for loss of such No Claims Bonus (on Renewal) or (at Inception), as applicable, as would but for such loss or damage to Aircraft been returnable to the Insured under Section I of this Policy.

Subject to Insurers having accepted such claims as being valid and collectable claims under Section I of this Policy, excluding any ex-gratia and or without prejudice and or negotiated settlements thereof.

EXCLUSIONS

1. This Clause does not cover loss of No Claims Bonus resulting from or arising out of any "cancellation" or "subject to renewal" provision contained elsewhere in this Policy.

CONDITIONS

1. It is a condition of this Clause that Section I shall be maintained in full effect except for any reduction of the amounts insured solely by payment of claims in respect of accident occurring during the Period of Insurance.
2. There shall be no return of premium if any claim is made under Section I of this Policy.
3. No claim will be paid hereon until expiry of this Policy

5. Profit Commission on Renewal Clause

Subject to the renewal of this Policy on a similar basis with the company, it is agreed to refund to the Insured a percentage as stated in the schedule of the ascertained profit.

The ascertained profit shall be deemed to be the difference between percentage stated in the schedule of the Nett amount paid by the Insured by way of premium in respect of Section I for this Policy and the total amount of Hull claims together with expenses incidental thereto.

6. Premium Payment Clause

The premium under this Policy is payable on or before inception date or renewal date as the case may be. The Insurer shall not be obliged to accept premium tendered to it after such date but may do so upon terms as it, in its sole discretion, may determine.

7. Debit Order Payments – Non Payment Cancellation

In respect of premiums paid by Debit Order, if the premium is not paid on the date that it was due to be paid we will re-debit in the following month and should the outstanding premium not be paid when re-debited, the policy will be cancelled from the date the first unpaid premium was due to be paid.

8. Quarterly Premiums

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

- 1st Instalment - Amount: 25% - Due within 30 days of the inception of the policy
- 2nd Instalment - Amount: 25% - Due within 121 days of the inception of the policy
- 3rd Instalment - Amount: 25% - Due within 212 days of the inception of the policy
- 4th Instalment - Amount: 25% - Due within 303 days of the inception of the policy

Nevertheless it is further understood and agreed that:-

Notwithstanding any provision as to notice of cancellation contained in this Policy, it is a condition that in the event of any instalment not being paid by its due date the cover afforded by this Policy shall be deemed to have ceased at midnight of such due date.

9. Cross Liabilities Clause

The parties comprising the Insured shall each be considered as a separate and distinct unit and the words "the Insured" shall be considered as applying to each party and in the same manner as if a separate Policy had been issued to each of the parties.

It is expressly understood and agreed that the Insurer will not be liable under this Policy for any claim which but for this extension would otherwise fall under any other insurance.

In the event of more than one Insured being named in the policy and should an incident occur which might give rise to a claim under any section of the policy, it is agreed that should the Insured calling for indemnity be in breach of any term, condition, warranty or stipulation contained in the said policy, such Insured shall not be entitled to any form of

indemnity under the policy in its entirety. It is furthermore agreed that in the event of the Insurer indemnifying an Insured under any of the sections comprising the policy, in such event, the Insurer shall be subrogated to all rights in terms of all monies paid to or on behalf of the Insured claiming indemnity as against the Insured who acted in breach of the aforesaid terms, conditions, warranties or stipulations.

Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurer in respect of any or all Insureds shall not exceed the limit(s) of liability stated in the Schedule.

10. Extended Coverage Aircraft Liabilities Clause (Applicable to Section II and III only)

1. Whereas the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (General Exclusion 10), IN CONSIDERATION of an Additional Premium of NIL, it is hereby understood and agreed that with effect from inception, all sub-paragraphs other than (b) of General Exclusion 10 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 General Exclusion 10.

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 the aircraft.

3. Limitation of Liability

The limit of the Insurer's liability in respect of the coverage provided by this Endorsement shall be US\$50,000,000 or the applicable policy limit whichever the lesser any one Accident and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full Policy limit and not in addition thereto.

To the extent coverage is afforded to an Insured under the Policy, 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 Policy 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 Policy 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 Endorsement shall TERMINATE AUTOMATICALLY in the following circumstances:

- i. 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

- ii. Any cover extended in respect of the deletion of sub-paragraph (a) of General Exclusion 10.

-upon the hostile detonation of any weapon of war employing atomic and 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

- iii. 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 (i), (ii) or (iii) 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

- a) Review of Premium and/or Geographical Limits (7 days)

The Insurer 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.

- b) Limited Cancellation (48 hours)

Following a hostile detonation as specified in 4 (ii) above, the Insurer 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 General Exclusion 10 – 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.

- c) Cancellation (7 days)

The cover provided by this Endorsement may be cancelled by either the Insurer 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.

- d) Notices

All notices referred to herein shall be in writing.

11. Hail Damage Clause

It is hereby warranted that in the event of any Aircraft insured in terms of this Policy having been damaged by hail not fully repaired prior to inception of the risk, this Policy will specifically exclude all further hail damage until such time as the Insured has proved to the Insurers that any hail damage which existed at inception of the risk has been fully repaired.

12. Unauthorised Use Clause

No claim under this Policy 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 Policy provided such use was not authorised by the Insured and that the Insured has taken reasonable precautions to prevent such unauthorised use. Any consent given by a servant or agent of the Insured outside the normal scope of this authority shall not be deemed to be an authorisation by the Insured. Nothing in this clause shall extend this policy to indemnify an unauthorised person and/or organisation in respect of any claims for which they may be liable.

13. Unauthorised Use Clause (Theft only)

This Policy includes cover for loss, damage and liability of the Insured as defined herein whilst the insured aircraft is used in a place and/or in a manner and/or by a person not permitted by this Policy provided such use results from the theft of the aircraft and provided that the Insured takes reasonable precautions to prevent such theft. Nothing in this clause shall extend this policy to indemnify an unauthorised person and/or organisation in respect of any claims for which they may be liable.

14. Unlicensed Landing Grounds Suitability Clause

It is hereby declared and agreed that the landing on and taking off of the Aircraft by day from landing grounds other than duly licensed airports is covered under this Policy subject to each such landing ground being surveyed from the ground or from the air by the Insured and/or pilot immediately prior to landing or taking off as the case may be. In the event of a claim being made under this Policy arising out of the use of any such landing ground the onus of proving its suitability as such shall rest entirely on the Insured.

15. Airfreight of Spares Clause

In the event of the Insured Aircraft sustaining damage constituting a valid claim in terms of Section I of this Policy and necessitating the importation and/or exportation of aircraft spare parts and/or components the Insurer shall be liable for the cost of transportation by air of such spare parts and/or components up to limit as stated in the Schedule of Clauses incorporated in and forming part of the policy or the US\$ equivalent where applicable any one aircraft.

16. Breach of Air Navigation Regulations Clause

It is hereby understood and agreed that coverage afforded under this policy remains in full force and effect in the event of any of the Insured's servants and/or pilots of the aircraft (provided not the named Insured) committing a Breach of Air Navigation Directions and/or Regulations and/or conditions which would otherwise make this policy void. PROVIDED ALWAYS THAT the Insured and/or the directors and/or the management of the Insured has no prior knowledge of the circumstances in which the breach has been committed and that the agent or servants or pilot has acted contrary to express instructions laid down by the Insured. The onus of proof that the requirements of this endorsement have been met, shall rest solely upon the Insured. Nothing in this Clause shall extend this Policy to indemnify the individual causing any such breach.

17. Additional Insured Clause – Sections II & III only

It is hereby declared and agreed that **Additional Insured's, as stated on the Schedule,** are noted on this Policy each for their respective rights and interests.

18. Ingestion Clause

Ingestion damage by stones, grit, dust, sand, ice and the like which result in progressive engine deterioration will be regarded as "wear and tear and deterioration" and excluded; but ingestion causing sudden damage attributable to a single recorded incident requiring immediate withdrawal of the engine from service is covered, each occurrence, each Engine to be a separate claim unless such damage is caused by a forced or crash landing.

The deductible to be borne by the Insured in respect of each claim shall be as applicable in the case of Flight and Taxying claims.

19. Parachutists Exclusion Clause

It is agreed that:

- (a) Section II of this Policy does not cover accidental bodily injury (fatal or otherwise) or damage to property caused by Parachutists and/or Skydivers and/or their equipment.
- (b) Section III of this Policy does not cover accidental bodily injury (fatal or otherwise) to Parachutists and/or Skydivers.

20. The President's Trophy Air Race and/or Rallies Clause

Notwithstanding the exclusion relating to racing and/or rallies within the Policy it is agreed to include participation in The President's Trophy Air Race and/or rallies subject to the following conditions:

1. Cover in respect of Section II of the Policy (Legal Liability to Third Parties) is restricted to a limit as stated in the Schedule of Clauses incorporated in and forming part of the policy whilst the insured Aircraft is being used in the said race or rally.
2. Cover in respect of Section III of the Policy (Legal Liability to Passengers) shall not apply whilst the insured Aircraft is being used in the said race or rally.
3. This cover to apply from arrival of the insured Aircraft at the aerodrome prior to the start of the race or rally and to remain in force until departure from the aerodrome after the end of the race or rally.

It is further agreed and understood that any breach of Air Navigation Regulations by either the Insured or any pilot flying the Aircraft will invalidate any claim of whatever kind under any Section of the Policy.

21. Aircraft Financial Interest Endorsement Clause (AVN28B)

It is noted that the Party named in the Schedule hereto has a financial interest in the Aircraft. Accordingly, with respect to losses occurring during the period from the Effective Date of this Endorsement until the expiry of the Insurance or until the Party's financial interest ends, whichever shall first occur, in respect of the interest of the Party and in consideration of an Additional Premium IT IS UNDERSTOOD AND AGREED THAT:

1. The insurance afforded by this Policy for loss of or physical damage to the insured Aircraft shall not be invalidated as regards the interest of the Party by any act or omission by the Insured which results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the Party has not caused, contributed to or knowingly

condoned the said act or omission. Nevertheless any change in title or ownership of the Aircraft, conversion, embezzlement or secretion by the Insured in possession of the Aircraft is not covered hereunder.

2. The protection afforded to the Party by the terms of this Endorsement shall be limited to loss of or physical damage to the insured Aircraft and shall not exceed the Amount set forth in the Schedule less any relevant Policy Deductible and less all payments made to reduce the Amount paid or due prior to the accident giving rise to a loss hereunder.
3. The Party shall notify the Insurers of any increase in hazard which comes to the Party's attention and if agreed by the Insurers it shall be endorsed on the Policy, the Party agreeing to pay any additional required premium if the Insured fails to do so on demand of the Insurers.
4. If the Insured fails to notify the Insurers as specified in the Policy Conditions of any event likely to give rise to a claim under the Policy, the Party shall do so immediately he becomes aware of the event in form and manner as prescribed by the Policy.
5. Upon payment of any loss or claim to the Party, Insurers shall to the extent and in respect of such payment be subrogated to all legal and equitable rights of the Party. At the expense of Insurers the Party shall do whatever is necessary to assist the Insurers to exercise such rights.
6. Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof, cover provided by this Endorsement may only be cancelled by Insurers giving not less than Thirty (30) days' notice in writing to the Insured. Notice shall be deemed to commence from the date such notice is given by the Insurers. In the event of cancellation for non-payment of premium, the Party shall have the option to pay all outstanding premiums in respect of the Aircraft within the notice period.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT THE FINANCIAL INTEREST OF THE PARTY IS COVERED BY THE POLICY FOR LOSS OF OR PHYSICAL DAMAGE TO THE INSURED AIRCRAFT ONLY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.

22. Supplementary Payments Clause

It is understood and agreed that this Policy is extended to cover as more fully set forth under those paragraph(s) identified below. It is expressly understood that no cover is provided under those paragraphs of this Clause which have not been identified below. The Insurers agree to indemnify the Insured for

- (a) any reasonable expenses incurred for the purpose of search and rescue operations for an Aircraft insured hereunder determined to be missing and unreported after the computed maximum endurance of the flight has been exceeded. The liability of the Insurer is limited as per limit noted in schedule or the US\$ equivalent where applicable.
- (b) any reasonable expenses incurred for the purpose of runway foaming to prevent or mitigate possible loss or damage because of malfunction or suspect malfunction of an Aircraft insured hereunder. The liability of the Insurer is limited as per limit noted in schedule or the US\$ equivalent where applicable.

- (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. The liability of the Insurer is limited as per limit noted in schedule or the US\$ equivalent where applicable.
- (d) any reasonable expenses which the Insured may be called upon to pay in respect of any public inquiry or inquiry by the Civil Aviation Authority or any other relevant authority into an Accident involving an Aircraft insured hereunder.

Coverage is provided under paragraphs (a) to (d) above.

Provided always that the Insurer's liability shall not exceed as limit noted as stated in the Schedule of Clauses incorporated in and forming part of the policy in the aggregate over all paragraphs insured or the US\$ equivalent where applicable.

23. Voluntary Air Transport Squadron Flying / Police Airwing / Clause (Applicable to Section I only)

The cover provided by Section I of this Policy includes the use of the Aircraft for **Voluntary Air Transport** Squadron duties authorised on the order of and under the general control of the Chief of the Air Force/Commissioner of Police of the Republic of South Africa. It is further agreed that such authorised duties are:

- (a) Flights at training courses
- (b) Ad hoc tasks flown in support of or at the request of the Civil Aviation Authority, South African National Defence Force, South African Police Services and National Sea Rescue Institute of South Africa.

subject to all such duties being carried out in compliance with all Civil Aviation Regulations notwithstanding any Regulations or section of the Aviation Act No. 74 of 1962 which purport or attempts to purport to exclude compliance therewith.

This Policy does not cover loss or damage to the above mentioned Aircraft as a result of or in the course of operational, hostile or malicious action of or against insurgents or other persons.

24. Contingent Pilots Clause

It is hereby declared and agreed in respect of single engine piston fixed wing aircraft only, the Permitted Pilot and Purpose of Use provisions in this Policy are extended to include the following:

- (a) Any type rated commercially licenced pilot solely for the purpose of collection and/or delivery and/or test flights in connection with overhaul, maintenance or repair of the Aircraft.
- (b) Any type rated privately licenced pilot solely for the purpose of collection and/or delivery and/or test flights required in connection with overhaul, maintenance or repair of the Aircraft provided that the pilot has been specifically approved by the Civil Aviation Authority for this purpose.

25. Legal Liability to Employees Clause

Notwithstanding anything contained herein to the contrary it is hereby declared and agreed that if any time during the period of this insurance any employee of the Insured shall sustain bodily injury (fatal or non-fatal) whilst travelling as a passenger in the Aircraft described in the Schedule hereto (including mounting into or dismounting from that Aircraft) in the course of his employment by the Insured and if the Insured shall become legally liable to pay and shall pay any compensation (including costs awarded against the Insured) in respect of such injury, the Insurer, subject otherwise to all terms, conditions, limitations and exclusions of this insurance contained herein or endorsed hereon will indemnify the Insured in respect of all sums for which the Insured shall be so liable up to but not exceeding the limits of indemnity as described in the Schedule hereto:

Provided always that

- a) The indemnity provided by this extension shall not apply if the liability of the Insured arises under any law requiring compensation to be paid for injury to workmen.
- b) The indemnity provided by this extension shall not apply to claims payable under another policy or policies including any Employers Liability coverage except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.

26. Date Recognition Exclusion Clause

This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, delict, 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 date 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.

27. Pilot's Indemnity Clause

It is hereby declared and agreed that the indemnity granted under Section II –Legal Liability to Third Parties (other than Passengers) and Section III - Legal Liability to Passengers - if incorporated herein shall extend to include the legal liability of any pilot (as described in the Schedule hereto) who flies the Aircraft with the express knowledge and consent of the Insured in respect of injury or damage as defined in the relative section but not so as to increase the liability of the Insurer beyond the amount which it would have been liable to pay in respect of such injury or damage if liability had devolved upon the Insured.

Provided always that

1. at the time of any Accident giving rise to a claim under this extension the said pilot:
 - (a) is not entitled to indemnity under any other policy.
 - (b) shall as though he were the Insured observe, fulfil and be subject to all warranties, terms, exclusions, deletions, definitions, conditions and clauses contained in the Policy so far as they can apply.
2. the Insurer shall not be liable under this extension in respect of claims by the Insured.
3. for the purpose of this extension the word " Insured" wherever it appears in the Exclusions appearing in Sections II and III shall be understood to mean
 - (a) the Insured named in the Schedule hereto
and/or
 - (b) any pilot as aforesaid in respect of whom this extension is operative.

28. Aggravation of Injury / Illness / Medical Malpractice Exclusion

Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that this Policy shall exclude coverage in respect of the Insured's liability arising out of the transportation of human blood, plasma and/or organs or for medical malpractice or aggravation of existing injuries or illness of any passenger carried by the Insured as the result of such passenger entering into, alighting from or flying in the Aircraft.

29. Forced Landing Clause

Insurers hereon agree that in the event of an insured Aircraft making a forced landing in any place where subsequent safe take-off is impossible they will pay all reasonable costs, expenses or expenditure for the removal of the Aircraft to the nearest suitable take-off area provided always that Insurers' liability for such costs, expenses or expenditure, and for any loss of or damage to the Aircraft, shall not exceed the value of the Aircraft as declared in the Policy.

30. Pro-rata Cancellation Clause, subject to No Claims

It is hereby declared and agreed that should policy be cancelled midterm subject to there being no claims made or outstanding the Insurer will allow a pro-rata refund premium subject to the Insurers retaining a minimum of 20% of the annual premium. It is further declared and agreed that the annual premium is deemed fully earned when the time on risk period is equal to or exceeds 11 months.

31. 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, the Insurer 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.

32. Sanction Limitation and Exclusion Clause

The Insurer shall not be deemed to provide cover nor shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

33. Currency Fluctuation Clause

1. In respect of any aircraft insured hereunder where the Hull Value is expressed in United States Dollars in the Schedule/Endorsement it is agreed that all claims will be paid in either:-
 - 1.1 United States Dollars, subject to South African Reserve Bank approval; or
 - 1.2 In the South African Rand equivalent thereof,
at the sole discretion of the Insurer.
2. Where such claim is payable in South Africa Rand, it is declared and agreed that, in the event of:-
 - 2.1 a total loss, the exchange rate quoted by the Insurer's bankers at the close of business on the trading day immediately preceding the date of payment of the claim; or
 - 2.2 a partial loss, the exchange rate quoted by the Insurer's bankers at the close of business on the date of the repairer's invoice or if such date is not a trading day, the first trading day following the invoice date;

will be utilized to determine the South African Rand equivalent of the amount of the claim

3. A certificate from the Insurer's bankers, certifying the appropriate United States Dollar/South African Rand exchange rate as at a specified date, shall be final and binding on the parties.

34. Carriage of Infants

The Insured may exceed the Declared Maximum Passenger Seating in any Aircraft covered hereunder by virtue of the carriage of infants, subject to compliance with the relevant provisions of the Air Navigation Regulations or any other relevant Regulations, Rules or Enactment.

35. Hot and Hung Start Clause

It is understood and agreed that coverage is extended to include damage to the aircraft engine(s) occurring as a result of Hot and/or Hung Starts subject to:

- (a) the damage resulting from a single recorded incident
- (b) a technical log entry being made at time of the incident
- (c) the incident being reported immediately to a licensed engineer and prior to any restart of attempt
- (d) the reporting of an incident likely to give rise to a claim under the policy to Insurers in accordance with General Condition (C) 2 herein
- (e) application of normal policy deductibles and betterment where applicable

For the purpose of this endorsement it is understood and agreed that:

A hot start occurs when, during the start phase, the temperature in the hot section of an engine is allowed to exceed that specified in the operators and/or engine manufacturers manual.

A hung start occurs when, during the start phase, an engine fails to self-sustain in the time specified in the operators and/or manufacturers manual, resulting in the temperature in the hot section of the engine exceeding that specified in said manual.

It is further understood and agreed that nothing contained in this clause will alter or amend Exclusion 2(a) of Section I of the policy.

36. Out of Notified Hours Clause

The coverage provided by the policy shall not be invalidated as a result of the use, by the Insured, of certain airfields and/or airports out of the notified hours, subject to prior permission having been granted by the appropriate owner and/or operator of such airfield and/or airport.

37. Legal Liability to and/or of Instructors/Student Pilots

It is hereby declared and agreed that coverage as afforded by Section III of this policy is extended to include legal liability of any qualified instructor towards licenced student pilots and/or legal liability of any licenced student pilot toward qualified licensed instructors.

The Insurers limit of liability in respect of this extension shall not exceed the limit as stated in the Schedule of Clauses incorporated in and forming part of the policy. Nothing contained herein shall increase the liability of the Insurer beyond the limit(s) stated in the Schedule.

38. Chemical Liability Exclusion Clause

It is hereby declared and agreed that this policy does not cover

1. Any injury (fatal or otherwise), sickness or disease
2. Loss of or destruction of or damage to any property whatsoever or any loss or expenses or consequential loss

directly or indirectly related to or caused by or arising from any form of aerial application (including but not limited to the dusting, spraying or dropping of any chemicals, pesticides, herbicides, seed or the like) whether the aerial application is deliberate or in error.

39. Insurers Liability Clause

Insurer's liability several not joint

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

The proportion of liability under this contract underwritten by an 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 an 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 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 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 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.

40. 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.

41. Medical and related expenses (AVN80)

It is understood and agreed that this Policy is extended to pay all reasonable expenses incurred within one year from the date of accident for necessary medical, surgical, ambulance, hospital, professional nursing, repatriation and funeral expenses to or for each person who sustains bodily injury, sickness or disease, caused by accident whilst in, entering or alighting from the Aircraft if the Aircraft is being used by the Insured or with his permission.

As soon as practicable, the injured person or someone on his behalf shall give to the Insurers or any of their representatives written proof of claim, under oath if required, and shall, after each request from the Insurers, execute authorisation to enable the Insurers to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Insurers when and as often as the Insurers may reasonably require.

The insurance afforded by this coverage shall be subject to a Policy limit as noted in the schedule and shall be excess insurance over any other valid and collectible Insurance applicable thereto.

The coverage afforded by this Clause extends to the pilot(s) and operational crew of the Aircraft.

42. Flying clothing and effects Clause (AVN75)

This Policy is extended to cover the Insured or any pilot described in the Schedule of the Policy against loss or damage by theft or fire (or accidental damage if the Aircraft itself be damaged) in respect of flying clothing, maps, navigating equipment and instruments, 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 any pilot described in the Schedule to the Policy, but excluding money, credit cards, securities, jewellery and furs of all kinds.

This extension is limited to a maximum indemnity as stated in the Schedule of Clauses incorporated in and forming part of the policy each Accident and subject to the deductible as stated in the policy Schedule, each Accident.

43. Financial / Contractual dispute Clause

This policy excludes loss, damage or expense caused by one or any combination of the following:

- a) Any debt, failure to provide bond or security or any other financial or perceived financial cause under court order or otherwise;
- b) The repossession or attempted repossession of the Aircraft by any title holder, or arising out of any contractual agreements or disagreements to which any Insured protected under this Policy may be party

44. Cargo Legal Liability Endorsement (AVN 92)

This Endorsement extends the coverage provided under Section III of this Policy, subject to the Limit of Indemnity and to the Deductible stated below, for legal liability in respect of accidental physical loss of or damage to cargo whilst in the care, custody or control of the Insured, for the purpose of carriage by air.

Provided always that

1. Before accepting any cargo for the purpose of carriage by air the Insured shall take such measures (including but not limited to the issue or acceptance of an air waybill) as are necessary to exclude or limit liability for claims in respect of the accidental physical loss of or damage to that cargo to the extent permitted by law. In no event shall the amount of the indemnity provided by Insurers under this Endorsement exceed the amount of the legal liability, if any, that would have existed had the Insured taken such measures.
2. The Insured shall ensure that cargo in their care, custody or control is kept in secure premises at all times other than during transit.

Coverage provided by this Endorsement attaches from the time of acceptance of such cargo by the Insured and ceases upon delivery by the Insured at the final destination or when handed over to a successive carrier.

This Endorsement does not apply to legal liability in respect of:

1. delay or loss of market;
2. perishables and/or livestock;
3. consequential loss howsoever arising;
4. slung loads;
5. money, securities, precious stones, precious metals, jewellery, fine art and antiques of any kind.

45. Liability To Pilots And Crew Clause (AVN 73)

It is understood and agreed that notwithstanding any exclusion specifically relating to pilots and operational crew in the Section of this Policy covering the liability of the Insured to passengers, such coverage shall extend to include the liability of the Insured to the pilots and operational crew of the insured Aircraft, but excluding liability required to be insured under the terms of any employers' liability or workman's compensation legislation or any similar legislation.

46. Deductible buy down clause

In consideration of an additional premium as stated in the Schedule of Premiums to the Policy:

The Insurer hereby agrees subject to the Conditions, Exclusions and Warranties contained herein or endorsed hereon, that in the event of the Aircraft as described in the Schedule hereto being lost or damaged as a result of an accident occurring in respect of which a valid and collectible claim can be or could be made save for the application of the Deductible under Section I of this Policy, the Insurer agrees to indemnify the Insured for:

- a) The amount of the deductible payable under Section I of this Policy, or
- b) The cost of repairing or making good the loss or damage

Whichever is the lesser

Conditions applicable to this Clause

1. The Insured shall retain 10% of the deductible payable in terms of Section I of this Policy subject to a minimum of R1 000 of each and every claim.
2. Cover only applies to standard type fixed-wing Piston engine Aircraft owned or operated by the Insured.

Warranty

Warranted that Section I of this Policy be maintained in full force and effect during the currency of this Clause.

Exclusions applicable to this Clause

The Clause does not apply:

1. If any "ex gratia" payment is made under Section I of this Policy.
2. To crop-spraying Aircraft, Aircraft owned and operated by flying clubs, Rotor-wing Aircraft or Turbine-engine Aircraft, Balloons, Microlights, Gliders,

Homebuilt Aircraft or Ultralights.

3. To any pilot, other than pilots named in the Pilot Provision in the Schedule, who hires the Aircraft from the Insured.
4. Should any other deductible insurance be in force at the time of the accident, then this cover shall be deemed to be invalid.
5. If the aircraft is used for the purpose of Parachuting, all forms of Aerial Applications, Fire Fighting, Game Work, Aerobatics or Banner Towing.