

AIRLINE FINANCE/LEASE CONTRACT ENDORSEMENT

It is noted that the **Contract Party(ies)** have an interest in respect of the **Equipment** under the **Contract(s)**. Accordingly, with respect to losses occurring during the period from the **Effective Date** until the expiry of the Insurance or until the expiry or agreed termination of the **Contract(s)** or until the obligations under the **Contract(s)** are terminated by any action of the Insured or the **Contract Party(ies)**, whichever shall first occur, in respect of the said interest of the **Contract Party(ies)** and in consideration of the **Additional Premium** it is confirmed that the Insurance afforded by the Policy is in full force and effect and it is further agreed that the following provisions are specifically endorsed to the Policy:

1. Under the Hull and Aircraft Spares Insurances

- 1.1. In respect of any claim on **Equipment** that becomes payable on the basis of a Total Loss, settlement (net of any relevant **Policy Deductible**) shall be made to, or to the order of the **Contract Party(ies)**. In respect of any other claim, settlement (net of any relevant **Policy Deductible**) shall be made with such party(ies) as may be necessary to repair the **Equipment** unless otherwise agreed after consultation between the Insurers and the Insured and, where necessary under the terms of the **Contract(s)**, the **Contract Party(ies)**. Such payments shall only be made provided they are in compliance with all applicable laws and regulations.
- 1.2. Insurers shall be entitled to the benefit of salvage in respect of any property for which a claims settlement has been made.

2. Under the Legal Liability Insurance

- 2.1. Subject to the provisions of this Endorsement, the Insurance shall operate in all respects as if a separate Policy had been issued covering each party insured hereunder, but this provision shall not operate to include any claim howsoever arising in respect of loss or damage to the Equipment insured under the Hull or Spares Insurance of the Insured. Notwithstanding the foregoing the total liability of Insurers in respect of any and all Insureds shall not exceed the limits of liability stated in the Policy.
- 2.2. The Insurance provided hereunder shall be primary and without right of contribution from any other insurance which may be available to the **Contract Party(ies)**.
- 2.3. This Endorsement does not provide coverage for the Contract Party(ies) with respect to claims arising out of their legal liability as manufacturer, repairer, or servicing agent of the **Equipment**.

3. Under ALL Insurances

- 3.1. The **Contract Party(ies)** are included as Additional Insured(s).
- 3.2. The cover afforded to each **Contract Party** by the Policy in accordance with this Endorsement shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the **Contract Party** so protected has not caused, contributed to or knowingly condoned the said act or omission.
- 3.3. The provisions of this Endorsement apply to the **Contract Party(ies)** solely in their capacity as financier(s)/lessor(s) in the identified **Contract(s)** and not in any other capacity.

Knowledge that any **Contract Party** may have or acquire or actions that it may take or fail to take in that other capacity (pursuant to any other contract or otherwise) shall not be considered as invalidating the cover afforded by this Endorsement.

- 3.4. The **Contract Party(ies)** shall have no responsibility for premium and Insurers shall waive any right of set-off or counterclaim against the **Contract Party(ies)** except in respect of outstanding premium in respect of the **Equipment**.
- 3.5. Upon payment of any loss or claim to or on behalf of any **Contract Party(ies)**, Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the **Contract Party(ies)** indemnified hereby (but not against any **Contract Party**). Insurers shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of Insurers such **Contract Party(ies)** shall do all things reasonably necessary to assist the Insurers to exercise said rights.
- 3.6. 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 or materially altered in a manner adverse to the **Contract Party(ies)** by the giving of not less than Thirty (30) days notice in writing to the **Appointed Broker**. Notice shall be deemed to commence from the date such notice is given by the Insurers. Such notice will NOT, however, be given at normal expiry date of the Policy or any endorsement.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT:

1. **THE CONTRACT PARTY(IES) ARE COVERED BY THE POLICY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.**
2. **THE POLICY SHALL NOT BE VARIED BY ANY PROVISIONS CONTAINED IN THE CONTRACT(S) WHICH PURPORT TO SERVE AS AN ENDORSEMENT OR AMENDMENT TO THE POLICY.**

SCHEDULE IDENTIFYING TERMS USED IN THIS ENDORSEMENT

1. **Equipment** (Specify details of any aircraft, engines or spares to be covered):
2. **Policy Deductible** applicable to physical damage to the **Equipment** (insert all applicable Policy deductibles):
3. (a) **Contract Party(ies)**:
and (b), in addition, in respect of Legal Liability Insurances:
4. **Contract(s)**:
5. **Effective Date** (being the date that the **Equipment** attaches to the Policy or a specific date thereafter):
6. **Additional Premium**:
7. **Appointed Broker**:

28/9/94
AVN.67B