

AERCAP POLICY

SCHEDULE ITEM 2: PERIOD OF INSURANCE

From: 1 November 2021

To: 31 October 2022

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

SCHEDULE ITEM 4: LIMITS OF INSURERS' LIABILITY

Item 4(a): Section One -Aircraft Hull and Spares and Equipment Coverage

(1) Hull

1. Contingent Aircraft Hull Coverage
 2. Possessed Aircraft Hull Coverage
- Agreed values as declared.

Maximum agreed value **USD350,000,000** any one Aircraft

(2) Spares and Equipment

1. Contingent Spares and Equipment Coverage
2. Possessed Spares and Equipment Coverage

Maximum **USD350,000,000** any one occurrence, each location

(3) Technical Records Coverage

Maximum **USD 25,000,000** any one Aircraft/aircraft engine/component

But not exceeding **USD 50,000,000** in the aggregate in any one annual period of insurance.

(4) Repossession Expenses Coverage

Maximum **USD 3,000,000** any one Aircraft/aircraft engine/component and in the aggregate in any one annual period of insurance.

SCHEDULE ITEM 4(c): SECTION THREE – AVIATION ‘WAR AND ALLIED PERILS’ COVERAGE

(1) Hull

1. Contingent Aircraft Hull Coverage
2. Possessed Aircraft Hull Coverage

Agreed values as declared.

Maximum agreed value **USD350,000,000** any one Aircraft

(2) Spares and Equipment

1. Contingent Spares and Equipment Coverage
2. Possessed Spares and Equipment Coverage

Maximum **USD350,000,000** any one occurrence, each location

3. Technical Records Coverage

Maximum **USD 25,000,000** any one Aircraft/aircraft engine/component

But not exceeding **USD 50,000,000** in the aggregate in any one annual period of insurance.

4. Repossession Expenses Coverage

Maximum **USD 3,000,000** any one Aircraft/aircraft engine/component and in the aggregate in any one annual period of insurance.

Coverage in respect of confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of the Government of country of registry, or any public or local authority under its jurisdiction (in respect of Contingent Coverage this coverage is only applicable where such coverage is required to be effected under the Principal Insurance) is limited to **USD300,000,000** in the aggregate in any one annual period of insurance.

In the event of the exhaustion of the aggregate limit under the Principal Insurance, this Insurance will pay up to **USD1,000,000,000** in addition to the Principal Insurance aggregate.

...

In no event, however, shall Insurers' liability under this Section Three exceed **USD1,200,000,000** in the aggregate in any one annual period of insurance.

DEFINITION 10:

10. "Lease Agreement" means the lease, loan or other agreement concluded between the Insured (or the Insured's authorised agent) and the lessee whereby the lessee obtains rights of use and possession in the Aircraft and/or aircraft engines and components and/or Spares and Equipment.

DEFINITION 16:

16. "Principal Insurance" means the insurance or insurances required to be effected by the Operator pursuant to the provisions of the Lease Agreement (inclusive of insurances such as hull deductible insurances as may be necessary to meet the lease requirements).

SECTION ONE CLAUSE 1:

1. CONTINGENT AIRCRAFT HULL AND SPARES AND EQUIPMENT COVERAGE

This Section One covers

- a. Aircraft, as per the Schedule of Aircraft, and

b. Spares and Equipment,

the subject of a Lease Agreement, that are not in the care, custody or control of the Insured or their agents and in respect of which physical damage coverage is required to be provided under the Principal Insurance, against all risks of physical loss or damage howsoever occasioned (including whilst in transit by any means and, in respect of aircraft engines, whilst undergoing test running) except as hereinafter excluded, sustained during the Period of Insurance,

In the event:

1.
 - i. that the Insured is not indemnified in whole or in part under the Principal Insurance, or
 - ii. that the Principal Insurance fails to respond to any claim within 90 days after the Insured has made a written claim, or
2. of the lack or insufficiency of required insurance due to error or accidental omission.

The coverage afforded under paragraph 1.(a) also applies to aircraft engines and components as per the Schedule of Aircraft Engines and Components, the subject of a Lease Agreement whilst attached to an aircraft that is not the subject of a Lease Agreement.

SECTION ONE CLAUSE 2:

2. POSSESSED AIRCRAFT HULL AND SPARES AND EQUIPMENT COVERAGE

This Section One also covers

- a. Aircraft, as per the Schedule of Aircraft, and
- b. Spares and Equipment,

whilst

1. awaiting the commencement of a Lease Agreement, or
2. having been returned on the expiry or termination of a Lease Agreement or where coverage for the Insured has ceased under the Principal Insurance, or
3. having been repossessed or which are in the course of repossession from a Lease Agreement, or
4. in the care, custody or control of the Insured or their agents, including for the purposes of parting out or sale against all risks of physical loss or damage howsoever occasioned (including whilst in transit by any means and, in respect of aircraft engines, whilst undergoing test running) except as hereinafter excluded, sustained during the Period of Insurance.

SECTION ONE, EXCERPTS FROM COVERAGE 3:

(Coverage 3) This Section One also covers costs and expenses arising from loss of or damage to the Technical Records of Aircraft, aircraft engines and components, or the justifiable suspicion thereof sustained during the Period of Insurance...

....

- b. which is discovered when the Aircraft, aircraft engines or components are:

1. returned on expiry/termination of a Lease Agreement, or
2. repossessed (or in the course of repossession) from a Lease Agreement...

...

the Insured shall diligently pursue any rights of recovery against the Operator and any proceeds received will be due to Insurers

...

SECTION ONE COVERAGE 4:

4. REPOSSESSION EXPENSES COVERAGE

This Section One also covers expenses incurred in connection with the repossession or attempted repossession of Aircraft, aircraft engines or components in exercise of rights vested in the Insured under the terms of a Lease Agreement provided that the right of repossession is established during the Period of Insurance and is advised to Insurers within 30 (thirty) days of such right of repossession being enacted.

The Insurers will indemnify the Insured up to the amount stated in Item 4.(a)(4) of the Schedule for expenses as follows:

- a. the cost of engaging and positioning the statutory minimum flight crew for the purposes of the flight.
- b. the cost of fuel, lubricants and hydraulics necessarily incurred for the purposes of the flight.
- c. all airport dues and air navigation charges incurred during the course of the flight but excluding any fees incurred subsequent to landing at the destination airport.
- d. the cost of transporting the aircraft engines or components to the destination airport.

For the purposes of this Coverage 4. flight shall mean all flying (including test flying), taxiing, hangarage or parking necessary for the return of the Aircraft from the airport at which repossession takes place, to the airport stipulated in the Lease Agreement for the return of the Aircraft on expiry of the Lease (destination airport).

In the event of any payment under this Coverage 4., the Insured shall diligently pursue any rights of recovery against the Operator, and any proceeds received will be due to Insurers, provided always that Insurers shall not be entitled to benefit in any general recoveries obtained by the Insured unless and until the Insured's own losses have been made good.

SECTION ONE CONDITION 6(B):

6. EXCLUSIONS

This Section One does not cover

...

- b. claims excluded by the WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (Aviation) AVN 48B (amended) as Attachment No.1, to this Insurance.

SECTION ONE EXCLUSIONS 6(F)(1) AND (2):

6. EXCLUSIONS

This Section One does not cover

- f. additionally in respect of Coverage 1. - Contingent Coverage - of this Section One,
 - 1. loss or damage for which indemnity is obtained as a claim under the Principal Insurance;
 - 2. loss or damage for which indemnity cannot be obtained under the Principal Insurance due to insolvency of the insurers of the Principal Insurance;

This exclusion does not apply where the selection of the insurers of the Principal Insurance is required to comply with applicable law. For the purpose exclusion, “insolvency” shall be defined as occurring 180 days after bankruptcy or imposed by a court order and the trigger of any claim will be the date of loss under the Principal Insurance.

SECTION ONE CLAUSE 1.7:

- b. A total loss may be declared under this Insurance,
 - i. at the option of the Insured, in the event that the cost of repair of the damage together with the cost of salvage and/or transport from the place of the accident to the place of repair and return to service be estimated at 75% or more of the Aircraft’s agreed value (constructive total loss).
 - ii. by mutual agreement between the Insured and the Insurers (arranged total loss).

SECTION TWO COVERAGE 1:

1. CONTINGENT AIRCRAFT AND SPARES AND EQUIPMENT LIABILITY COVERAGE

Subject always to the limits of insurers' liability as stated in Item 4.(b) of the Schedule the Insurers will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages arising from Bodily Injury and/or Property Damage caused by an Occurrence involving

- a. Aircraft, as per the Schedule of Aircraft, and
- b. Spares and Equipment

the subject of a Lease Agreement, that are not in the care, custody or control of the Insured or their agents and in respect of which liability coverage is required to be provided under the Principal Insurance,

- 1. in the event that:
 - i. the Insured is not indemnified in whole or in part under the Principal Insurance, or
 - ii. the Principal Insurance fails to respond to any claim within 90 days after the Insured has made a written claim, or
- 2. in the event that the lack or insufficiency of required insurance due to error or accidental omission;
- 3. including liability in excess of the Principal Insurance.

The coverage afforded under paragraph 1.(a) also applies to aircraft engines and

components as per the Schedule of Aircraft Engines and Components, the subject of a Lease Agreement whilst attached to an Aircraft that is not the subject of a Lease Agreement.

SECTION TWO COVERAGE 8:

8. DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

As respects such insurance as is afforded by the other terms of this Section Two, the Insurers shall:

- a. defend in the name of and on behalf of the Insured any suit or other proceedings against the Insured...

SECTION THREE CLAUSE 1:

1. **AIRCRAFT HULL, SPARES AND EQUIPMENT, TECHNICAL RECORDS AND REPOSSESSION EXPENSES COVERAGE**

Subject to the terms, conditions and limitations set out below, this Section Three covers loss of or damage to

a. Contingent Aircraft Hull and Spares and Equipment Coverage

- i. Aircraft, as per the Schedule of Aircraft, and
- ii. Spares and Equipment,

as covered under Coverage 1 - Contingent Coverage - of Section One of this Insurance

1. in the event that the Insured is not indemnified in whole or in part under the Principal Insurance; or
2. in the event of the lack or insufficiency of required insurance due to error or accidental omission; or
3. in the event of the exhaustion of the aggregate limit under the Principal Insurance,

(the coverage afforded under paragraph 1(a)(i) also applies to aircraft engines and components as per the Schedule of Aircraft Engines and Components, the subject of a Lease Agreement whilst attached to an aircraft that is not the subject of a Lease Agreement),

b. Possessed Aircraft Hull and Spares and Equipment Coverage

- i. Aircraft, as per the Schedule of Aircraft, and
- ii. Spares and Equipment,

as covered under Coverage 2 - Possessed Coverage - of Section One of this Insurance,

c. Technical Records Coverage

Technical Records of Aircraft, aircraft engines and components as covered under Coverage 3 - Technical Records Coverage - of Section One of this Insurance,

d. Repossession Expenses Coverage

Expenses incurred in connection with the repossession or attempted repossession of Aircraft, aircraft engines or components in exercise of rights vested in the Insured under the terms of a Lease Agreement as covered under Coverage 4 - Repossession Expenses Coverage - of Section One of this Insurance against claims excluded from Section One of this Insurance as caused by

1. 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.
2. Strikes, riots, civil commotions or labour disturbances.
3. 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.
4. Any malicious act or act of sabotage.
5. 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.
6. 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 or the Operator. For the purpose of this paragraph (6) only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the aircraft is in motion. A rotor-wing aircraft shall be deemed to be in flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

Furthermore this Insurance covers claims excluded from Section One of this Insurance from occurrences whilst the Aircraft and/or Spares and Equipment are outside the control of the Insured or the Operator by reason of any of the above perils. An Aircraft shall be deemed to have been restored to the control of the Insured or the Operator on the safe return of the Aircraft to the Insured or the Operator at an airfield not excluded by the geographical limits of this Insurance, 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). Spares and Equipment shall be deemed to have been restored to the control of the Insured or the Operator on the safe return of the Spares and Equipment to the Insured or the Operator at a location not excluded by the geographical limits of this Insurance.

However, as regards Spares and Equipment the coverage provided in respect of the perils specified in paragraph (a) of AVN48B shall only apply whilst the Spares and Equipment are in transit by air or by sea as defined in the attached Institute War Duration Transit Clause 576WIL01025 (amended).

SECTION THREE COVERAGE 1(D):

Subject to the terms, conditions and limitations set out below, this Section Three covers loss of or damage to...

D. REPOSSESSION EXPENSES COVERAGE

Expenses incurred in connection with the repossession or attempted repossession of Aircraft, aircraft engines or components in exercise of rights vested in the Insured under the terms of a Lease Agreement as covered under Coverage 4. - Repossession Expenses Coverage - of Section One of this Insurance against claims excluded from Section One of this Insurance as caused by...

SECTION THREE EXCLUSION 3(2):

2. additionally, as respects the coverage afforded by Coverage 1.(a) - Contingent Coverage - of this Section Three, claims that are not paid under the Principal Insurance due to insolvency of the insurers of the Principal Insurance.

This exclusion does not apply where the selection of the insurers of the Principal Insurance is required to comply with applicable law. For the purpose of this exclusion, "insolvency" shall be defined as occurring 180 days after bankruptcy is imposed by a court order and the trigger of any claim will be the date of loss under the Principal Insurance.

SECTION THREE CONDITION 4(4):

4. This Section Three 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 One of this Insurance.

SECTION THREE CONDITION 4(5):

5. In respect of Aircraft as covered under Coverage 1(a) - Contingent Coverage - of this Section Three, the coverage provided by paragraph 1(5) of this Section Three in respect of the government of registry is subject to the Operator being required to effect the same coverage under the Principal Insurance.

SECTION FOUR COVERAGE 1:

SECTION FOUR

EXCESS NON-AVIATION LIABILITY COVERAGE

1. Cover

Subject always to the limits of insurers' liability as stated in Item 4.(d) of the Schedule the Insurers will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages arising from Bodily Injury and/or Property Damage caused by an Occurrence happening during the Period of Insurance and arising from the risks and hazards covered by the underlying insurance as set forth in the Schedule of Underlying Insurance.

If any of the hazards covered by this Insurance is subject to an aggregate limit of liability in the underlying insurance then the limit of liability of this Insurance shall, as respects such hazard, apply in the aggregate for the Period of Insurance.

GENERAL CONDITION 1:

1. Claims - Insured's Duties (also applicable to Section Four)

- a. Upon the Insured becoming aware of the happening of an event likely to give rise to a claim notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect of the time, place and circumstances thereof shall be given by or for the Insured to the Insurers at the address as set forth in the Schedule as soon as reasonably possible.

In respect of a claim under Coverage 1. of Sections One or Two or under Coverage 1.(a) of Section Three (Contingent Coverage), further notice of developments shall not be required unless the Insured becomes aware or suspects that the Principal Insurance may not respond to the claim or may delay the settlement of a claim to which this Insurance applies.

- b. If a claim is made or a suit is brought against the Insured, then in addition to compliance with the requirements of the Principal Insurance, the Insured shall immediately copy to the Insurers every demand, notice, summons or other process received by them or their representatives.
- c. Following the assumption of claims responsibility by Insurers, the Insured shall co-operate with the Insurers and upon request will assist in making settlements and in the conduct of suits; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- d. The Insured shall render such further information and assistance as the Insurers may reasonably require and shall not act in any way to the detriment or prejudice of the interest of the insurers. No admission, offer, promise or payment shall be made by the Insured without the written consent of the Insurers.

GENERAL CONDITION 2:

- 2. **Other Insurance** (not applicable to Coverage 1 of Sections One and Two and Coverage 1(a) of Section Three (Contingent Coverage))

The Insurers shall not be liable for any claims which are payable, whether or not payment has been made, under any other insurance or insurances except in respect of any excess beyond the amount which would have been payable under such other insurance or insurances had this Insurance not been effected.

GENERAL CONDITION 6:

6. CONTINGENT COVERAGE REQUIREMENT

Any Aircraft, aircraft engine, component and Spares and Equipment to which Coverage 1. - Contingent Coverage - of Section One and/or Coverage 1.(a) - Contingent Coverage - of Section Three of this Insurance applies, and any Aircraft, aircraft engine, component and Spares and/or Equipment (other than Aircraft, aircraft engine, component and Spares and Equipment in which the Insured's financial interest has ceased) to which Coverage 1. - Contingent Coverage - of Section Two of this Insurance applies, shall be subject to a Lease Agreement the terms of which require the Principal Insurance to be endorsed with the Airline Finance/Lease Contract endorsements designated AVN 67B or AVN 67C and AVN 67B (Hull War) or AVN 67C (Hull War), as appropriate, or with comparable endorsement language intended to achieve a similar purpose, or with endorsement language as required by the Insured.

The Insured shall not knowingly disclose the existence of this Insurance to the Operator, and shall in all respects act as though uninsured by this Insurance when negotiating or evaluating a prospective lease agreement.

ATTACHMENT 1:

Attachment No.1

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

This Insurance does not cover claims caused by

- a. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- b. Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

- c. Strikes, riots, civil commotions or labour disturbances.
- d. Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- e. Any malicious act or act of sabotage.
- f. Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority.
- g. Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or Non-Owned Aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft or Non-Owned Aircraft acting without the consent of the Insured or operator.

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

AVN 48B (amended)

AN EXCERPT OF ENDORSEMENT 6:

In respect of Coverage 2. of Section One, Coverage 2. of Section Two and Coverage 1.(b) of Section Three (Possessed Coverage) and in respect of the coverage afforded under Coverage 1. of Section One, Coverage 1. of Section Two and Coverage 1.(a), of Section Three (Contingent Coverage), to the extent that recovery is not made under the Principal Insurance, this Insurance also covers...

ENDORSEMENT 12:

ENDORSEMENT 12

INVESTIGATION AND DEFENCE

As respects Contingent coverages, in the event that the Insurers of the Principal Insurance deny the Insured coverage or fail to investigate, adjust, defend or enter into settlement negotiations in respect of any claim within 150 days after the Insured has submitted a written request thereto and have used their best efforts to obtain same, the Insurers will, subject to the terms, conditions, limitations and exclusions of this Insurance, investigate and defend any such claim.

Subject to all definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.